

# AWEX Weekly Wool Market Report

Three week recess. Next sale week of 9th August.



Wednesday, 14 July, 2010 ( 5:48 pm AEST)

Compared to Thursday, 8 July, 2010

AWEX E.M.I.



**876**

**-12 AU¢/kg**  
(-1.4%)



**772**

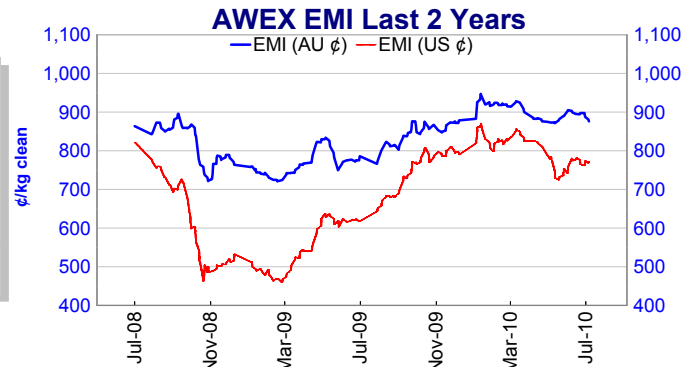
**-2 US¢/kg**  
(-0.2%)

**Total Offering:**  
**39,700 Bales**

**Passed In:**  
**15.4%**

## Regional Indicators (c/kg Clean)

| Region | Current Sale          |  | Last 12-months |     |         |     |     |
|--------|-----------------------|--|----------------|-----|---------|-----|-----|
|        | Indicator             |  | High           | 75% | Average | 25% | Low |
| North  | <b>900 c/kg (▼13)</b> |  | 974            | 931 | 901     | 878 | 792 |
| South  | <b>856 c/kg (▼11)</b> |  | 925            | 885 | 855     | 834 | 748 |
| West   | <b>899 c/kg (▼7)</b>  |  | 951            | 922 | 886     | 864 | 758 |
| East   | <b>876 c/kg (▼12)</b> |  | 947            | 905 | 876     | 852 | 766 |

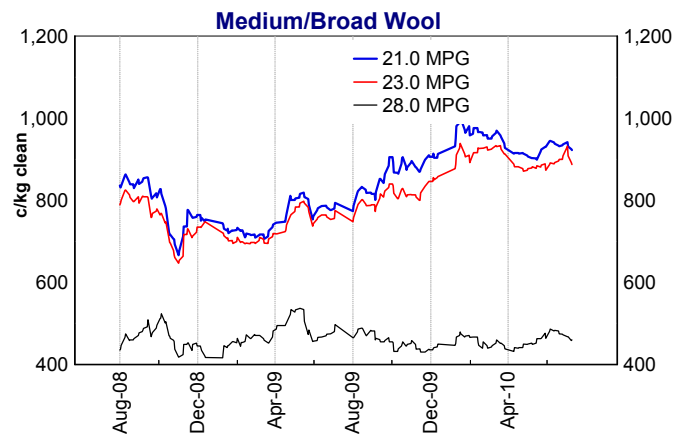
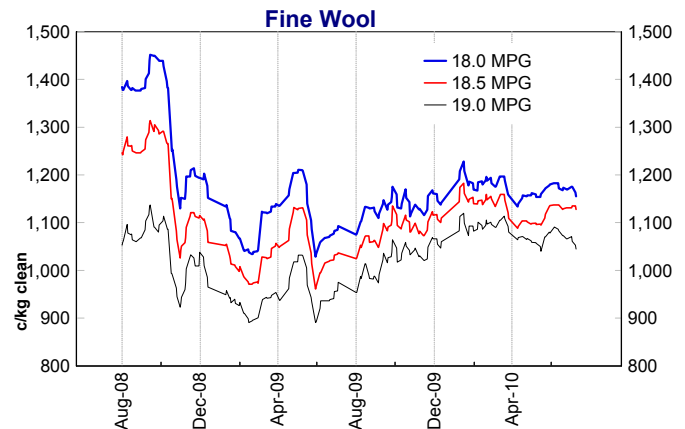


## Micron Price Guides (c/kg clean)

| Sale ID | Sydney: S02 | Melbourne: M02 | Fremantle: F02 |
|---------|-------------|----------------|----------------|
| 16.5    |             | 1,376 n -9     |                |
| 17      | 1239 n -28  | 1233 -18       |                |
| 17.5    | 1184 n -18  | 1182 -14       |                |
| 18      | 1155 -20    | 1133 -37       |                |
| 18.5    | 1128 -7     | 1091 -35       | 1093 n -11     |
| 19      | 1045 -16    | 1025 -31       | 1033 n -10     |
| 19.5    | 971 -17     | 964 -25        | 968 -11        |
| 20      | 930 -7      | 931 -6         | 944 -9         |
| 21      | 922 -9      | 922 -9         | 923 -5         |
| 22      | 906 -15     | 904 -15        | 903 n -5       |
| 23      | 892 n -10   | 887 -21        | 886 n -1       |
| 24      | 842 n -9    | 836 n -4       |                |
| 25      |             | 717 n +2       |                |
| 26      | 615 n -2    | 628 n -6       |                |
| 28      | 462 -7      | 460 n -8       |                |
| 30      | 405 -10     | 406 n -5       |                |
| 32      | 359 n -7    | 357 n -7       |                |
| MC      | 629 +10     | 609 n 0        | 595 n +2       |

\*\*MPG's compared to previous weeks close

## Micron Profiles (c/kg clean)



## National Comment

>> Final sale before the annual three-week recess. 39,700 bales offered in three centres; Fremantle holds a one-day sale, Sydney & Melbourne sell on Tues/Wed.

>> The Australian dollar tracked sideways for most of the week until Wednesday (the final sale day) when it jumped more than one cent. Helping to lift the currency was the release of a Consumer Sentiment Index which showed a buoyant mood amongst households within Australia. At the close of the week the AUD was 1 US cent higher at 88.2 US cents.

>> AWEX-EMI closed lower for the second consecutive week; 12 cents lower than the previous sale at 876 cents (only 2 cents lower in USD terms thanks to the strong AUD).

>> All microns lose ground. Finer microns lose most support, especially those with high mid-breaks which came under pressure.

>> The next round of wool-sales is during the week commencing 9th August when all three centres resume auctions.

## Major Auction Buyers

| Buyer            | Bales | %     | AU-Bales |
|------------------|-------|-------|----------|
| WILLIAMS WOOL    | 3,422 | 10.2% | 3,422    |
| FOX & LILLIE     | 3,343 | 10.0% | 3,343    |
| LEMPRIERE (AUST) | 2,706 | 8.1%  | 2,706    |
| TECHWOOL TRADING | 2,472 | 7.4%  | 2,472    |
| VITERRA WOOL     | 2,333 | 6.9%  | 2,333    |
| PJ MORRIS        | 2,148 | 6.4%  | 2,148    |
| KATHAYTEX        | 1,742 | 5.2%  | 1,742    |
| AS GEDGE (AUST)  | 1,728 | 5.1%  | 1,728    |
| QLD COTTON       | 1,587 | 4.7%  | 1,587    |
| MODIANO (AUST)   | 1,308 | 3.9%  | 1,308    |

## Offering Analysis- Current Week (Bales)

|          | Offered | Sold   | Passed In/NB | W'Drwn | Reoff |       |
|----------|---------|--------|--------------|--------|-------|-------|
| NORTH-AU | 18,828  | 15,926 | 2,902        | 15.4%  | 334   | 7.0%  |
| SOUTH-AU | 16,859  | 14,639 | 2,220        | 13.2%  | 699   | 9.4%  |
| WEST-AU  | 4,013   | 3,014  | 999          | 24.9%  | 62    | 17.3% |
| AU-MFLC  | 23,615  | 19,081 | 4,534        | 19.2%  | 836   | 11.3% |
| AU-MSKT  | 6,447   | 5,847  | 600          | 9.3%   | 93    | 4.1%  |
| AU-XBFS  | 5,283   | 4,732  | 551          | 10.4%  | 33    | 5.7%  |
| AU-ODDS  | 4,353   | 3,917  | 436          | 10.0%  | 133   | 8.4%  |
| Others   | 2       | 2      | 0            | 0.0%   | 0     | 0.0%  |
|          | 39,700  | 33,579 | 6,121        | 15.4%  | 1,095 | 9.1%  |

## Offering Analysis - Season to Date (Bales)

|          | Offered | Sold   | Passed In/NB | Reoff |
|----------|---------|--------|--------------|-------|
| NORTH-AU | 37,258  | 32,956 | 11.5%        | 6.7%  |
| SOUTH-AU | 36,097  | 32,289 | 10.5%        | 10.2% |
| WEST-AU  | 17,439  | 14,207 | 18.5%        | 14.5% |
| AU-MFLC  | 56,566  | 48,447 | 14.4%        | 11.1% |
| AU-MSKT  | 14,674  | 13,354 | 9.0%         | 6.1%  |
| AU-ODDS  | 9,216   | 8,317  | 9.8%         | 8.5%  |
| AU-XBFS  | 10,338  | 9,334  | 9.7%         | 7.4%  |
|          | 90,794  | 79,452 | 12.5%        | 9.6%  |

## AWEX Regional Market Comment Northern Region

\*\*All AWEX Commentary should be sourced AWEX

A rising AUD and an increased offering has weighed heavily on the market prior to the three-week recess. The Tuesday/Wednesday series saw all microns generally lose 10 cents from the outset and continued to trend lower on the second day. Wednesday losses were restricted to 19.5 microns and finer however, as 20 microns and coarser found support for the better style and strength types. Buyer discounting for high mid break lots was prevalent particularly in the medium to fine range. In the skirting catalogue it was the fine microns which were the first to suffer dropping 15 to 20 cents followed by a further easing in the order of 5 to 10 cents. Crossbreds had first day reductions of 10 cents in line with Merino types but steadied on the last day. Lock's were the main performer in the Oddment market this week with first day gains of around 15 cents before easing on the final day. Crutching's and Stains remained firm for the week. The Northern Region Market Indicator had an initial fall of 8 cents then further decrease of 5 cents on the last day to close at 900 cents/Kg.

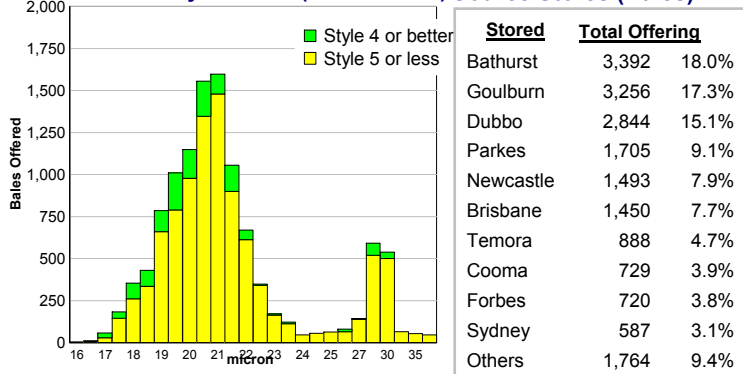
### Southern Region

Southern Region AWEX Indicator has closed this week down 11 cents as the trade begins the 3 week mid-year recess. The 18 to 19.5 micron fleeces were most affected by the reductions this week with the lower styles and high mid-break lots suffering the most. The 22 and 23 microns also suffered reductions with mostly small movements over the 2 selling days. Merino skirtings of best style and specification in the 19 microns and finer have sold firm with solid buyer support. The less stylish lots have reduced in value as the week progressed with lots carrying 5%v.m. and above most affected. Crossbreds have reduced by small increments this week while the oddments have made gains of around 10 cents.

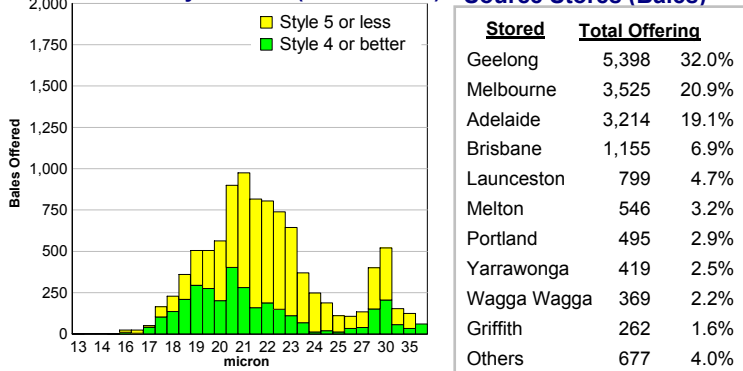
### Western Region

Fremantle held a one-day 4,013 bale-sale, the final sale before the annual three-week recess. Most Merino fleece types lost ground with the 18.5 to 20.0 micron range recording the largest decreases which were in the order of 10 cents clean. Medium types in the 21.0 to 22.0 micron range also closed in the red after a 5 cent drop, while a small pocket of better styled 20.5 micron types and a limited supply of 23.0 micron types closed generally unchanged. The small supply of Merino Skirtings (<3% vm) also held ground to close the day unchanged. Oddments (Locks & Crutching's) were very scarce in supply and managed to maintain their value or concluded the sale slightly dearer (+5 cents). The Western Region Indicator went into the recess at 899 cents, 7 cents lower than the previous week.

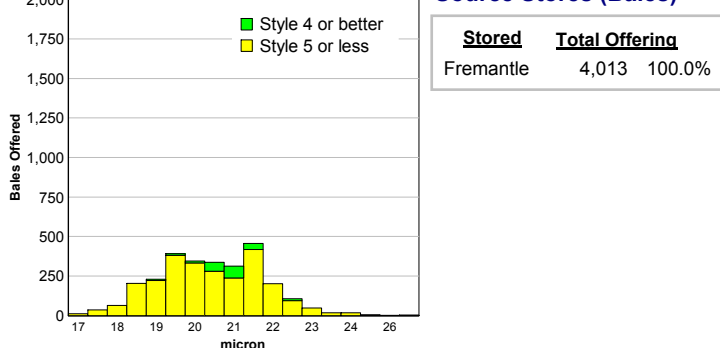
### Micron Style Profile (Adult Fleece) Source Stores (Bales)



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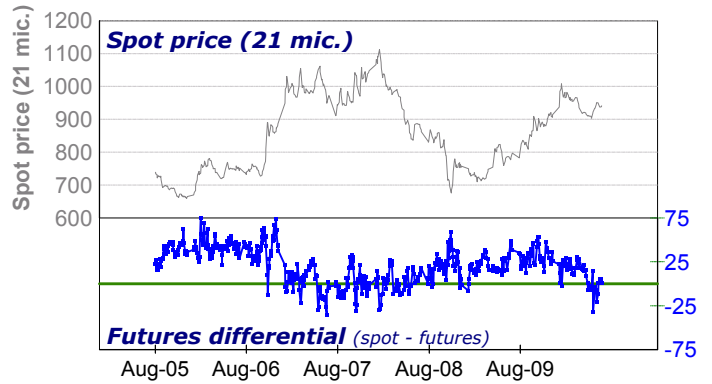


### Micron Style Profile (Adult Fleece) Source Stores (Bales)



## Wool Futures - Spot Prices

|          | North | South | Eastern |
|----------|-------|-------|---------|
| SFE19    |       |       | 1,038   |
| ASX19.5  | 930   | 940   |         |
| SFE 21   | 914   | 930   |         |
| ASX 21   | 875   | 885   |         |
| ASX 22.6 | 855   | 865   |         |
| SFE23    |       |       | 888     |



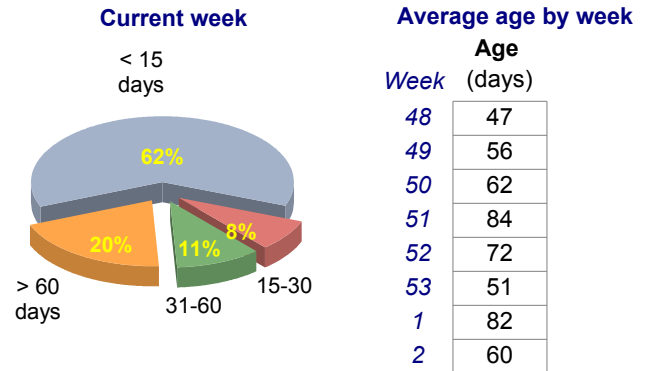
## Woolgrower returns Indicative \$ per head

|                    | 17          | 19          | 21          | 23          | 28          |
|--------------------|-------------|-------------|-------------|-------------|-------------|
| \$/ Bale @ 185 kg  | \$1467      | \$1220      | \$1097      | \$1055      | \$547       |
| \$/Head cut @ 7 kg | \$56        | \$46        | \$42        | <b>\$40</b> | \$21        |
| 6 kg               | \$48        | \$40        | <b>\$36</b> | \$34        | \$18        |
| 5 kg               | \$40        | <b>\$33</b> | \$30        | \$29        | <b>\$15</b> |
| 4 kg               | <b>\$32</b> | \$26        | \$24        | \$23        | \$12        |

Returns are gross and do not allow for shearing, testing, & selling costs.

## Age analysis

Days between testing and first offer

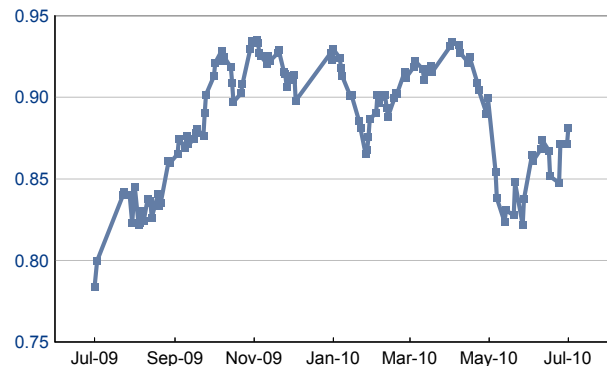


## Foreign Exchange (this week)

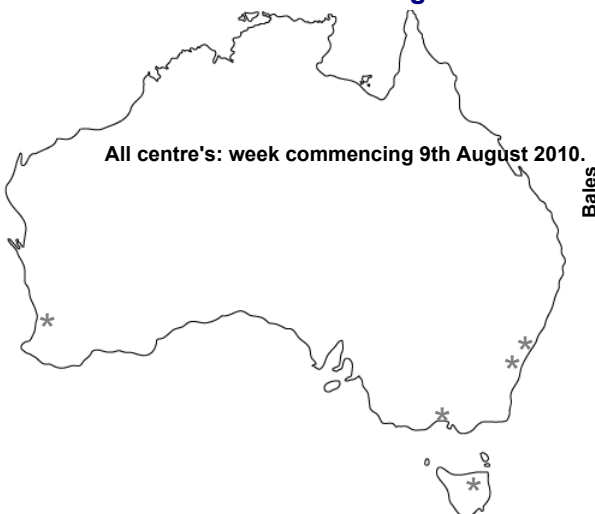
|      | EMI           | Buy Rate        |
|------|---------------|-----------------|
| USD  | 772 (-2)      | 0.882 ▲ 0.0101  |
| EURO | 608 (-4)      | 0.694 ▲ 0.0047  |
| YEN  | 68,705 (+373) | 78.430 ▲ 1.4800 |
| NZD  | 1,078 (-20)   | 1.231 ▼ 0.0064  |
| ZAR  | 5,829 (-71)   | 6.654 ▲ 0.0105  |

Compared to previous sale week's end  
Source: [www.tradingroom.com.au](http://www.tradingroom.com.au)

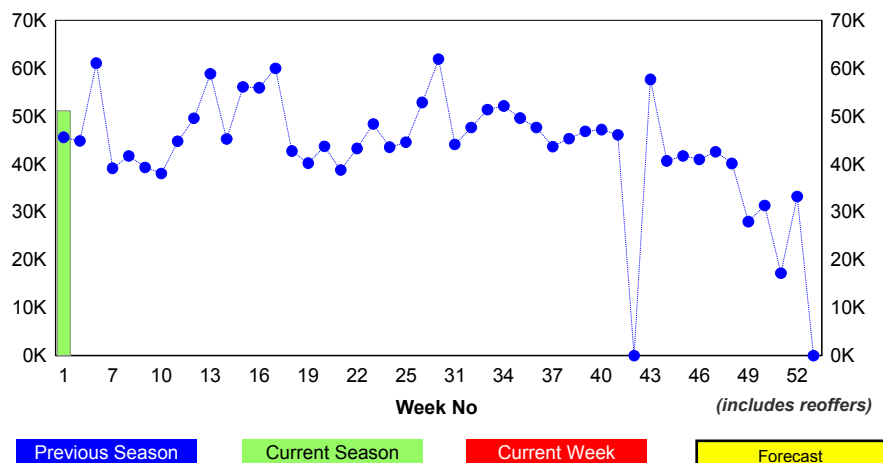
## US Dollar (last 12 months)



## Next Weeks Offering



## National Offering History



## Quotes

|      | Style | Length | Strength | VMB | North    |         | South    |         | West     |         |
|------|-------|--------|----------|-----|----------|---------|----------|---------|----------|---------|
|      |       |        |          |     | 14 - Jul | 8 - Jul | 14 - Jul | 8 - Jul | 13 - Jul | 8 - Jul |
| 17.0 | MF4   | 90     | 35       | 1   |          |         |          | 1,282   |          |         |
|      | MF4   | 80     | 35       | 1   | 1,203    | 1,240   | 1,215    | 1,245   | 1,306    | 1,306   |
|      | MF5   | 80     | 35       | 1   | 1,200    | 1,230   | 1,185    | 1,230   | 1,252    | 1,252   |
| 18.0 | MF4   | 90     | 35       | 1   | 1,155    | 1,160   | 1,120    | 1,170   | 1,155    | 1,155   |
|      | MF4   | 80     | 35       | 1   | 1,155    | 1,165   | 1,120    | 1,150   | 1,155    | 1,155   |
|      | MF5   | 90     | 35       | 1   |          | 1,162   |          | 1,162   | 1,156    |         |
|      | MF5   | 80     | 35       | 1   | 1,120    | 1,154   | 1,110    | 1,145   | 1,155    | 1,155   |
|      | MP5   | 70     | 35       | 2   | 1,015    | 1,045   | 976      |         |          |         |
| 19.0 | MF4   | 90     | 35       | 1   | 1,039    | 1,055   | 1,040    | 1,060   | 1,035    | 1,045   |
|      | MF4   | 80     | 35       | 1   | 1,045    | 1,060   | 1,032    | 1,055   | 1,035    | 1,045   |
|      | MF5   | 90     | 35       | 1   | 1,041    | 1,062   | 1,015    | 1,045   | 1,040    | 1,045   |
|      | MF5   | 80     | 35       | 1   | 1,040    | 1,055   | 1,015    | 1,050   | 1,035    | 1,045   |
|      | MP5   | 70     | 35       | 2   | 885      |         |          |         | 905      |         |
| 20.0 | MF4   | 90     | 35       | 1   | 930      | 940     | 935      | 940     | 945      | 955     |
|      | MF4   | 80     | 35       | 1   | 930      | 935     | 930      | 937     | 945      | 955     |
|      | MF5   | 90     | 35       | 1   | 930      | 928     | 930      | 928     | 945      | 944     |
|      | MF5   | 80     | 35       | 1   | 920      | 932     | 915      | 935     | 945      | 953     |
|      | MZ5   |        |          | 2   | 569      | 554     | 565      | 540     | 545      | 545     |
| 21.0 | MF4   | 90     | 35       | 1   | 925      | 935     | 930      | 935     | 920      | 925     |
|      | MF4   | 80     | 35       | 1   | 925      | 935     | 925      | 925     | 925      | 930     |
|      | MF5   | 90     | 35       | 1   | 920      | 930     | 922      | 935     | 925      | 930     |
|      | MF5   | 80     | 35       | 1   | 920      | 925     | 920      | 930     | 930      | 930     |
|      | MC5   |        |          | 2   |          |         | 600      | 605     |          |         |
|      | MZ5   |        |          | 2   |          | 545     | 565      | 535     | 556      | 556     |
| 22.0 | MF4   | 90     | 35       | 1   | 905      | 925     | 905      | 920     | 905      | 910     |
|      | MF5   | 100    | 35       | 1   | 910      | 925     | 905      | 925     | 905      | 910     |
|      | MF5   | 90     | 35       | 2   |          |         |          | 887     |          |         |
|      | MF4   | 100    | 35       | 1   | 910      | 925     | 910      | 925     | 905      | 910     |
| 23.0 | MF4   | 90     | 35       | 1   | 900      | 905     | 890      | 905     | 885      | 890     |
|      | MF5   | 100    | 40       | 1   | 900      | 910     | 899      | 915     | 890      | 890     |
|      | MF5   | 100    | 35       | 1   | 895      | 905     | 885      | 905     | 890      | 885     |
|      | MF5   | 90     | 35       | 1   | 890      | 900     | 880      | 905     | 885      | 885     |
| 24.0 | MF5   | 100    | 35       | 1   | 839      | 854     | 840      | 840     | 889      | 889     |
|      | MF5   | 90     | 35       | 1   | 840      | 850     | 830      | 835     | 848      | 848     |
|      | MF4   | 100    | 35       | 1   | 845      | 850     | 845      | 845     | 790      | 790     |
| 25.0 | MF5   | 110    | 35       | 1   | 734      |         |          |         |          |         |
|      | MF5   | 100    | 35       | 1   |          | 739     |          |         |          | 787     |
|      | XF5   | 100    | 35       | 1   | 703      | 703     | 702      | 705     | 678      | 678     |
| 26.0 | XF5   | 110    | 35       | 1   | 610      | 614     | 635      | 645     | 596      | 596     |
| 28.0 | XF5   | 120    | 35       | 1   | 465      | 472     | 466      | 471     | 453      | 453     |
|      | XF5   | 110    | 35       | 1   | 462      | 466     | 460      | 467     | 450      | 450     |
| 30.0 | XF5   | 120    | 35       | 1   | 407      | 415     | 410      | 415     | 395      | 395     |
|      | XF5   | 110    | 35       | 1   | 405      | 415     | 404      | 410     | 371      | 371     |

MF = Merino Fleece (Schlum. dry yield)  
 XF = Crossbred Fleece (Schlum. dry yield)  
 MP = Merino Pieces (Schlum. dry yield)  
 MZ = Merino Locks (Scoured 17% yield)  
 MC = Merino Crutchings (Scoured 17% yield)

For more information contact AWEX Operations on +61 2 9428 6100

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