

MICRON INDICES COMPARISON

Source AWEX Wooltrak

AWEX INDICATOR	This Week 27/01/12	Last Week 20/01/12	Change	Last Year 28/01/11	Yearly Change
17	1683	1679	+4	2171	-488
18	1511	1510	+1	1898	-387
19	1417	1427	-10	1551	-134
20	1337	1337	0	1175	+162
21	1297	1294	+3	1100	+197
22	1294	1274	+20	1072	+222
23	1271	1227	+44	1016	+255
24	1135	1108	+27	947	+188
25	891	NQ	0	827	+64
26	779	757	+22	743	+36
28	596	598	-2	561	+35
30	524	522	+2	502	+22
32	479	477	+2	447	+32
MC	695	701	-6	690	+5

The wool market firmed this week on the back of a smaller offering. The EMI lifted 4 cents to close at 1194 cents and reversing the falls of the last 4 trading days. The greatest gains were made at the extremes of the merino ranges. In the ultrafine types below 16.5 micron, rises of 50 cents were recorded and the same increases were recorded in the 23 micron range. In both cases limited supply helped drive prices higher. 19 to 22 micron types closed within a few cents of last week's levels, most slightly positive. The significant lift in the 23 micron indicator over the last fortnight and more limited increases in the medium indicators put less than 30 cents between 21 and 23 microns. Skirtings were irregular. Better style low VM types were in short supply and were well supported, while the heavy VM types and those displaying cott, colour and jowl were more difficult to sell. Crossbreds closed unchanged for all but the 26 micron types which found stronger demand. Cardings were mixed – merino locks were cheaper while crutchings were dearer. Crossbred lambs were cheaper which was hardly surprising given the abundant supply over the last 3 weeks.

The smaller offering of 45,000 bales certainly helped balance the supply - demand equation after the large offerings of the past fortnight. Prices clearly improved where volumes were smallest. This is particularly evident in the strong merino categories where prices have increased more than 100 cents over the last 2 weeks. The improvement in superfine prices was welcome, as these types remain heavily discounted on their peaks of 6 months ago.

Next week an offering below 40,000 bales nationally should help prices stabilise and improve as supply reduces again.

FORWARD PRICES (Supplied by TMC) 20/01/12

	19	20	21	22	23	24
AUCTION	1417	1337	1297	1294	1271	1135
Feb-12	1405	1315	1275	1250	1195	1080
Apr-12	1385	1295	1255	1230	1175	1060
Jun-12	1365	1275	1235	1210	1155	1040
Aug-12	1345	1255	1215	1190	1135	1020
Oct-12	1325	1235	1195	1170	1115	1000
Dec-12	1305	1215	1175	1150	1095	980

MAJOR AUCTION BUYERS (Bales)

1	Techwool Trading	6,081	2	Viterra Wool	5,413	3	Dalgety Wool Exp	2,074
4	Lempriere Aust	1,907	5	Fox & Lillie	1,686	6	Michell P/L	898
7	Williams Wool	880	8	QLD Cotton	853	9	Modiano Aust	692

Market Indicators compared with 20/01/12

EASTERN 1194 c/kg ▲4
SOUTHERN 1171 c/kg ▲6

Three Week Forecast

Week 31	30/01/12	39,676
Week 32	06/02/12	46,240
Week 33	13/02/12	46,300