



A RURALCO BUSINESS

# RODWELLS WEEKLY MARKET REPORT

## WEEK ENDING 14<sup>TH</sup> AUGUST 2015

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### MICRON INDICES COMPARISON

Source AWEX Wooltrak

AWEX INDICATOR	This Week 14/08/15	Last Week 07/08/15	Change	Last Year 15/08/14	Yearly Change
17	1525	1480	+45	1241	+284
18	1520	1450	+70	1201	+319
19	1480	1399	+81	1156	+324
20	1429	1357	+72	1130	+299
21	1420	1345	+75	1118	+302
22	1405	1329	+76	1116	+289
23	1381	1298	+83	1111	+270
24	NQ	NQ	0	NQ	0
25	NQ	1148	0	NQ	0
26	NQ	1063	0	815	0
28	930	917	+13	657	+273
30	858	843	+15	631	+227
32	NQ	732	0	571	0
MC	1075	1061	+14	793	+282

Predictions of a strong market in the report last week were correct. However, the strength of the market was extraordinary. On the back of the smallest national three centre offering in 4 years the market was dearer from the opening lot and continued to improve as the day progressed. Melbourne offered less than 12,000 bales and the lack of quantity was very evident as buyers scrambled to fill orders. The EMI added 46 cents for the week with improvements in all types. Merino fleece types from 19 to 23 micron saw the greatest increases of up to 80 cents clean; principally on the opening day. Finer types also rose strongly gaining around 50 cents clean, with the gains more evenly spread over both selling days. As is the case in a very strong market discounts evaporated, so some of the "off" types performed very well. Merino skirtings moved higher with rises in the order of 30 to 50 cents clean. The free types, which remain in very short supply, were keenly sought. Crossbreds gained 15 to 20 cents adding to their strong rise last week. Cardings also added 20 cents with strong competition on all types.

The market has now regained more than half of the falls seen in late June and early July. Most merino fleece types are trading at the upper end of their respective trading ranges for the last 10 years. This is particularly evident from 19 to 23 microns, with the broad end now back to highs reached in June. Forward markets also rallied and presented opportunities for this spring and all of next year at prices that we could only have dreamed about prior to April. Of course, this is all happening with a very pessimistic outlook emerging in China and their government revaluing their currency on 3 occasions this week to stimulate economic growth and exports.

Next week only 31,000 bales are on offer nationally. Only Sydney and Melbourne are operating which should see the market remain strong as supply remains an issue.

#### FORWARD PRICES (Supplied by Riemann's) 14/08/2015

	19	19.5	21	22	28	30
<b>AUCTION</b>	1480	1453	1420	1405	930	858
<b>Aug-15</b>	1400	NQ	1375	NQ	900	820
<b>Oct-15</b>	1390	1370	1345	NQ	900	810
<b>Dec-15</b>	1400	1365	1320	NQ	820	735
<b>Feb-16</b>	1400	NQ	1300	NQ	NQ	NQ
<b>Apr-16</b>	1360	1330	1300	NQ	NQ	NQ
<b>Jun-16</b>	1390	NQ	1300	NQ	NQ	NQ

#### MAJOR AUCTION BUYERS (Bales)

1	Techwool Trading	3,728	2	Fox & Lillie	3,034	3	Global Wool Export	2,288
4	Lempriere Aust	2,283	5	Chinatex	1,924	6	Aust. Merino Exp.	1,880
7	Modiano Aust	1,549	8	PJ Morris	1,382	9	Michell P/L	1,146

#### Market Indicators compared with 07/08/15

**EASTERN** 1304¢/kg ▲ 46  
**SOUTHERN** 1292¢/kg ▲ 49

#### Three Week Forecast

Week 08	17/08/15	31,316
Week 09	24/08/15	37,702
Week 10	31/08/15	40,200