



A RURALCO BUSINESS

## RODWELLS WEEKLY MARKET REPORT WEEK ENDING 22<sup>ND</sup> APRIL 2016

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### MICRON INDICES COMPARISON

Source AWEX Wooltrak

AWEX INDICATOR	This Week 22/04/16	Last Week 15/04/16	Change	Last Year 24/04/15	Yearly Change
17	1491	1500	-9	1367	+124
18	1437	1454	-17	1348	+89
19	1384	1409	-25	1292	+92
20	1345	1374	-29	1245	+100
21	1317	1356	-39	1226	+91
22	1299	1335	-36	1186	+113
23	1298	1329	-31	1166	+132
24	NQ	NQ	0	1090	0
25	NQ	NQ	0	1013	0
26	1024	NQ	0	958	+66
28	772	788	-16	854	-82
30	677	690	-13	803	-126
32	574	NQ	0	700	-126
MC	1046	1069	-23	998	+48

The wool market continued in the same way that last week finished. The EMI lost another 24 cents with weakness evident right from the opening lot on Wednesday. In the fleece section, the medium and broad categories closed sharply lower for the second consecutive week, wiping out all of the increases seen in the post Easter sale. They were as much as 30 cents cheaper in the opening hour before finding a little support as the day progressed. Thursday saw a continuation of that trend, although the extreme pass in rate and massive volumes withdrawn helped to steady the market. In Melbourne, 15% (2230 bales) was withdrawn prior to the sale and a further 18% (2260 bales) was passed in. In WA as much as 38% of the offering was withdrawn or passed yesterday. The reduction in the available wool certainly applied a little pressure to the market late yesterday, which saw slight increases in some of the better types. Despite the late rally, the majority of the medium and broad merino categories closed lower. On both days the finer types were less affected losing only 10 cents clean for the week. Skirtings were cheaper on the opening day before finding a little more support yesterday. The exception to that are the heavy VM types which are in plentiful supply and are getting cheaper as each week progresses. Crossbreds continued to track lower, losing a further 15 cents clean. Cardings, the standout market performer over the last year, have hit a road block. All carding types were up to 30 cents cheaper this week. Heavy VM, low yielding crutchings and stains were neglected, as were some of the crossbred lamb types. "Holes" were evident in the market on both days as processors look for quality in processing batches to avoid claims on delivery.

The market was always expected to struggle this week, with a very large fleece offering and a currency that continues to climb. Stocks of greasy wool in China are reported to be low and there is an expectation that they will need to buy in coming weeks. However, their US price hasn't altered in the last 6 weeks, so as the currency lifts the Australian price is adjusted down accordingly. There were reports of increased enquiry last night, and the smaller offering of 39,000 bales must help support the market.

#### FORWARD PRICES (Supplied by Riemann's) 22/04/2016

	19	19.5	21	22	28	30
<b>AUCTION</b>	1384	1366	1317	1299	772	677
<b>Jun-16</b>	1320	NQ	1270	NQ	700	640
<b>Aug-16</b>	1310	NQ	1240	NQ	730	610
<b>Oct-16</b>	1305	NQ	1210	NQ	NQ	NQ
<b>Dec-16</b>	1300	NQ	1200	NQ	NQ	NQ
<b>Feb-17</b>	1295	NQ	NQ	NQ	NQ	NQ
<b>Apr-17</b>	1290	NQ	NQ	NQ	NQ	NQ

#### MAJOR AUCTION BUYERS (Bales)

1	Techwool Trading	3,620	2	Global Wool Export	3,594	3	Aust Merino Export	2,755
4	Fox & Lillie	2,556	5	Tianyu	2,498	6	Lempriere Aust	2,491
7	P.J. Morris	2,128	8	G. Schneider	1,651	9	Chinatex	1,603

#### Market Indicators compared with 15/04/16

**EASTERN** 1217¢/kg ▼24

**SOUTHERN** 1202¢/kg ▼24

#### Three Week Forecast

Week 44	25/04/16	39,427
Week 45	02/05/16	41,000
Week 46	09/05/16	35,900