



A RURALCO BUSINESS

RODWELLS WEEKLY MARKET REPORT WEEK ENDING 1ST DECEMBER 2017

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MICRON INDICES COMPARISON

Source AWEX Wooltrak

AWEX INDICATOR	This Week 01/12/17	Last Week 24/11/17	Change	Last Year 02/12/16	Yearly Change
17	2467	2451	+16	1778	+689
18	2291	2273	+18	1744	+547
19	2009	1983	+26	1631	+378
20	1770	1747	+23	1513	+257
21	1644	1638	+6	1434	+210
22	1561	1548	+13	1403	+158
23	NQ	1526	0	NQ	0
24	1361	1353	+8	NQ	0
25	1211	1213	-2	NQ	0
26	1051	1044	+7	972	+79
28	734	734	0	681	+53
30	536	539	-3	586	-50
32	425	439	-14	460	-35
MC	1389	1393	-4	1151	+238

The wool market consolidated at sales this week. The EMI lifted 7 cents to close at 1676, recovering half of last week's minor fall. Improvements in all merino categories drove the market higher. Just over 49,000 bales were offered this week, and despite the quantity, the market continued to find strong demand. In the merino fleece section prices were generally 5 to 10 cents dearer on each of the three sale days in Melbourne. There was a tentative start on the first day before prices rose steadily as the day and week progressed. By the close, the main merino indicators were 10 to 30 cents dearer. Buyers paid particular attention to lots that showed superior length and strength results, with significant premiums paid on those lines. Merino skirtings were also well supported, improving steadily throughout the week. Crossbreds had another disappointing week, losing 5 to 10 cents. However, the market did seem to find a level and consolidate at that level as the week unfolded. Cardings continued their unbelievable run with all types selling at extreme levels. Merino lambs continue to attract very strong competition, especially the washing lambs which will only be available over the next couple of weeks. Open top lambs (45 to 55mm) are also attracting very strong competition despite the considerable volume on offer.

Trade talk this week continues to focus on the volume on offer, cash flow and the quantities that might be available as we move into the New Year. Sales are 9% or 65,000 bales ahead of last season year to date. Growers are taking advantage of the best prices in years and rushing wool into sales prior to Christmas. We have almost no passed in wool to re offer and almost no wool on hold. Rodwells normally has wool held over for sales in January and this will not be the case this year. Financing the large sales at higher values is causing issues for the exporters, although the 3-week recess over Christmas will certainly help alleviate some of the pressure, as funds will arrive and there are no sales that require new funding.

Next week, 51,000 bales are on offer nationally. Talk on the show floor today remains very optimistic and the interest in forward markets also suggests that confidence is very high.

FORWARD PRICES (Supplied by Riemann's) 01/12/2017

	18.5	19	19.5	21	28	30
AUCTION	2108	2009	1890	1644	734	536
Dec-17	NQ	NQ	NQ	1595	700	500
Feb-18	1975	1960	NQ	1600	700	500
Apr-18	2010	1950	NQ	1600	NQ	NQ
Jun-18	NQ	1900	NQ	1505	NQ	NQ
Aug-18	NQ	1870	NQ	1510	NQ	NQ
Oct-18	NQ	NQ	NQ	NQ	NQ	NQ

MAJOR AUCTION BUYERS (Bales)

1	Techwool Trading	6,903	2	Tianyu	3,793	3	Modiano Aust	3,494
4	P.J. Morris	3,272	5	Seatech	3,267	6	Lempriere Aust	2,834
7	Aust Merino Exports	2,673	8	Fox & Lillie	2,297	9	Michell P/L	2,277

Market Indicators compared with 24/11/17

EASTERN 1676¢/kg ▲7
SOUTHERN 1626¢/kg ▲11

Three Week Forecast

Week 23	04/12/17	50,255
Week 24	11/12/17	50,703
Week 25	RECESS	RECESS