



The National Council of Wool Selling Brokers of Australia Inc

NEWSLETTER

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21st October 2016

2016/40

From the desk of Chris Wilcox, Executive Director

- Merino wool prices continue to rise
- Australian lamb and sheep prices
- Australian sheep and lamb turn-off
- IWTO 2017 Congress dates and location announced
- Campaign for Wool – London Wool Week
- Upcoming events



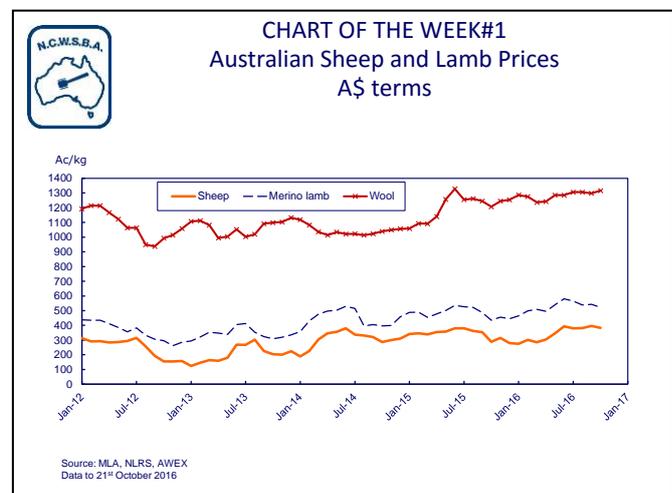
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It was another good week for Merino wool prices in the **Australian wool market**. Prices increased by between 3 and 22 cents, with the best increases being seen for 17.5 micron wool and wool between 19 to 20 micron. Crossbred wool prices continued to ease. The **Eastern Market Indicator (EMI)** rose by 13 cents to 1331 c/kg clean, the highest for the season to date and the highest since June last year. Superfine wool is now at multi-year highs. For example, the 18 and 18.5 micron price guides are both at the highest levels since September 2011 at 1636 and 1615 c/kg clean respectively. The recent increase in the price for superfine wool has lifted the price differential for 18 micron wool over 21 micron wool to 17%. This is the highest since November 2011 and compares with an average of just 9.3% between 2012 and September 2016.

Prices were helped by another low offering week, with just offering 34,556 bales. This small offering helped push prices higher even though the A\$ lifted against the main trading currencies. The A\$ increased by 1.4 UScents to 76.75 and by 1.5 €cents to 70 €cents. The EMI was 29 cents higher at 1022 USc/kg (the highest level since mid-June last year) and 29 €cents higher at 931 €cents/kg. By region, the Western Market Indicator lifted the most, up 16 cents to 1391 c/kg clean. The Northern Market Indicator was up by 13 cents to 1372c/kg and the Southern Market Indicator rose by 14 cents to 1305 c/kg.

As the first **Chart of the Week** shows, the EMI has been rising steadily since the start of 2016. It has risen from 1265 c/kg at Christmas 2015 to 1331 c/kg this week. The current level is at the highest point for much of the past five years, with the exception of mid-June last year when prices spiked temporarily. The current increase appears to be more sustainable.

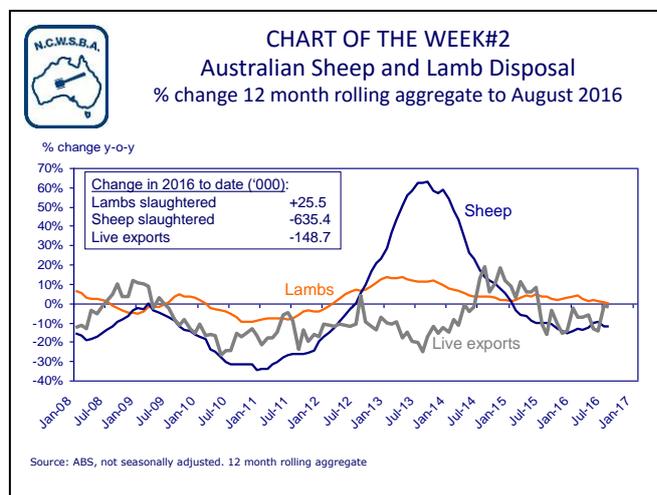
At the same time the **saleyard price for lambs and sheep for slaughter** have eased a little after recent highs. The price for Merino lambs hit an all-time high of 601 c/kg at the end of June but have since fallen back to 493 c/kg last week. This follows the usual seasonal pattern as increased supplies come on to the market in September. Sheep



prices also hit a recent peak of 411 c/kg (the highest since August 2011) and have slid to 359 c/kg last week.

The widespread rain since May seems to have encouraged producers to retain sheep and even lambs, judging by the latest available data from the Australia Bureau of Statistics. The second **Chart of the Week** shows the trends in the **turn-off of sheep and lambs** since the start of 2008. After a significant increase in the slaughter of sheep in 2013 and into 2014, there has been a sharp fall in 2015 and for 2016 to date. There have been 635,000 head less sheep have been slaughtered in the first eight months of 2016 than for the same period in 2015. As well, almost 150,000 less live sheep and lambs have been exported.

Lamb slaughter, which had been well above year earlier levels consistently since the start of 2012, was only a slight 25,500 head higher in the January to August period this year. In total, there were 758,600 less sheep and lambs turned off in 2016 to August. Given that the Australian Wool Production Forecasting Committee estimates that there were 68.5 million head of sheep and lambs as at 1 July 2016, this is a significant drop in turn-off. Hopefully it heralds the start of a recovery in the Australian sheep flock.



The **International Wool Textile Organisation** has just announced that the **2017 IWTO Congress** will be held between 3rd and 5th May 2017 in Harrogate, North Yorkshire in the United Kingdom. Harrogate is in region that was and remains the major wool textile centre in the United Kingdom. In addition to announcing the date and location of the 2017 Congress, IWTO has also opened registration for the **2016 IWTO Round Table to be held in Biella** on 28 to 29 November. If you wish to attend you can register at <http://www.member.iwto.org/events/EventDetails.aspx?id=856137>. As a final point on IWTO matters, IWTO has revamped its **website**. You can see the new, improved version at www.iwto.org.

The **United Kingdom Wool Week** was held between 10th and 16th October. The highlight of the UK Wool Week was the Wool B&B, which was located in De Beauvoir Town, London. It was filled with wool interiors and fashion, curated by stylist Karina Garrick. It was open for visitors throughout Wool Week and included a variety of events. I have included some photos here. You can see more at by clicking [here](#).



INDUSTRY EVENTS

The **AWEX AGM** will be held in Sydney on 9th November.

The **AWI AGM** will be held in Sydney on 18th November.

The **IWTO Wool Roundtable** will be held in Biella, Italy on 28th-29th November.

The **IWTO 2017 Congress** will be held on 3 to 5 May 2017 in Harrogate, North Yorkshire, UK.

WOOL SALES WEEK BEGINNING 24th OCT 2016 – week 17 (roster as at 20/10/2016)

| | |
|--|--------------|
| Sydney | |
| Wed, 26 th Oct; Thurs, 27 th Oct | 12,314 bales |
| Melbourne | |
| Tues, 25 th Oct; Wed, 26 th Oct, Wed, 27 th Oct | 23,380 bales |
| Fremantle | |
| Wed, 26 th Oct; Thurs, 27 th Oct | 9,185 bales |

Information in the Weekly Newsletter is intended to provide general information only and is not intended to constitute advice for a specific purpose.