



The National Council of Wool Selling Brokers of Australia Inc

NEWSLETTER

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From the desk of Chris Wilcox, Executive Director

- EMI rises amid ups and downs for micron price guides
- Where do current price levels sit historically in A\$ and US\$?
- Registration for the IWTO 2017 Congress opens
- Upcoming events



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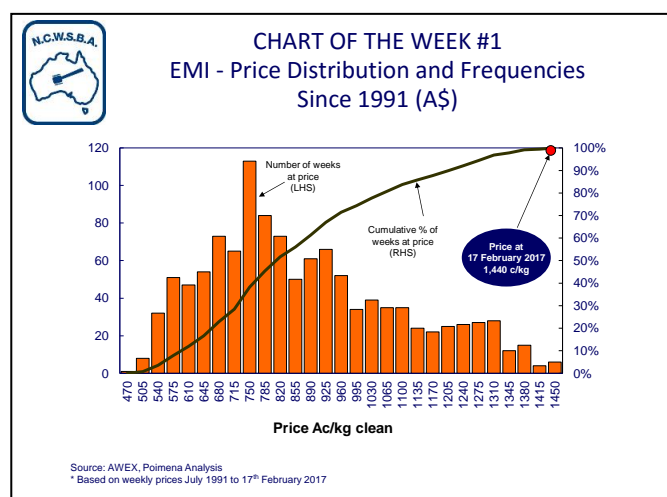
It was a bit of a mixed week in the **Australian wool market** this week as the market settled at around the recent higher levels. Prices for superfine wool (18.5 micron and finer) rose by between 2 and 18 cents as buyers seek to secure stylish, high strength superfine wool. This was evident in all three selling centres, but particularly in Melbourne on Tuesday when it hosted a sale of Tasmanian wool. There was some easing of prices for 19 micron to 22 micron, in part because offering volumes were up. There was a rebound in prices for Crossbred wool, with buyers focusing on well-skirted fleece wools. Merino cardings lifted by 11 cents to finish at 1173 c/kg, a new record.

The **Eastern Market Indicator (EMI)** lifted a little, by 3 cents, to 1441 c/kg, a new high since the collapse of the Reserve Price Scheme. By region, the Northern Market Indicator and Southern Market Indicator both rose by 3 cents to 1521 c/kg and 1388 c/kg respectively, but the Western Market Indicator eased back by 4 cents to 1468 c/kg.

With the A\$ continuing to rise against the US\$, reaching 77.2 UScents (the highest since April 2016) and 72.6 €cents (the highest since April 2015) by Thursday, the EMI this week rose by 16UScents to 1112 USc/kg and by 21 €cents to 1046€c/kg.

With the strong rise in superfine wool prices in the past couple of months but other prices being a little weaker (notably for crossbred wool), it is interesting to see how the **current price levels** compare with the levels since 1991 (post-Reserve Price Scheme).

The first **Chart of the Week** shows the number of weeks at each price range for the EMI, the cumulative distribution of the EMI in A\$ since July 1991 and where the current price sits on this distribution. As can be seen the current level of the EMI in A\$ is at the 100th percentile.



Although the EMI is at the highest level in A\$ since July 1991, none of the micron price guides are at the highest level, although the 19 Micron Price Guide (MPG) is close to the highest level. Only the Merino Carding Indicator is currently at the highest-ever level (although AWEX has only been reporting this series since July 2003). However, in A\$ terms, the prices as at 17th February 2017 for Merino wool were at the 90th percentile or better. For example, the 18 MPG in A\$ is at the 93rd percentile, the 19 MPG is

at 99.9th percentile, the 21 MPG is at the 98th percentile and the 23 MPG is at the 98th percentile. Crossbred wool prices are below the 90th percentile. For example, the 28 Micron Price Guide (MPG) is currently at the 85th percentile. On pages 3 and 4 I have included price distribution charts for the Micron Price Guides (MPGs) for 18 micron, 19 micron, 21 micron, 23 micron and 28 micron wool, as well as for Merino Cardings.

The **current price levels in US\$ terms** are lower in percentile terms than are the A\$ prices, but still above the 70th percentile. The second **Chart of the Week** shows price distribution for the EMI in US\$ terms and where the current price level sits in the distribution. The EMI at 17th February was around the 94th percentile. In other words, the current EMI is within the top 6% of prices since 1991 in US\$.

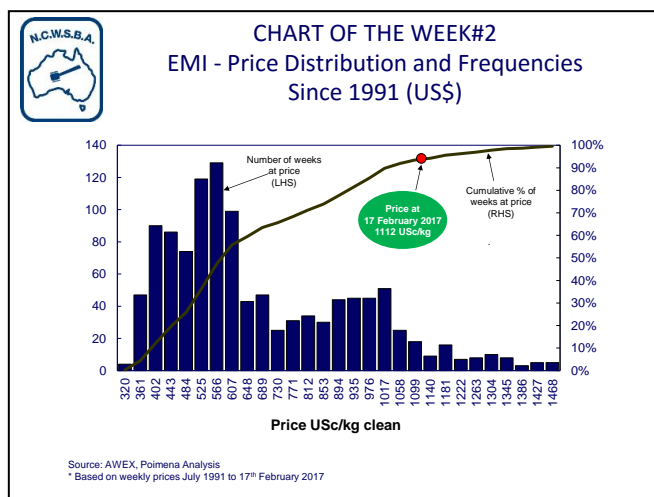
The Charts on pages 5 and 6 show the US\$ price distributions for the 18, 19, 21, 23 and 28 Micron Price Guides, as well as for Merino Cardings. As with the EMI, the current US\$ prices for these wools are lower in percentile terms than the A\$ price levels but above the long term median price. For the 18 MPG, current US\$ price is at the 93rd percentile, the 19 MPG is at 95th percentile, the 21 MPG is at the 89th percentile, the 23 MPG is at the 87th percentile, the 28 MPG is at the 77th percentile and the Merino Cardings Indicator is at the 100th percentile.

The International Wool Textile Organisation has opened registration for the **2017 IWTO Congress**, which will be held in Harrogate, United Kingdom, on the 3rd to 5th May 2017. The theme for this year's Congress is "Wool in a Digital Age". The Congress will explore the question on how the wool industry, which is steeped in tradition, can convey a message of quality, provenance and sustainability in a world of instant communication and product availability. The program for the Congress is being developed, and will include interesting speakers from around the world. I will be attending the Congress and will be Chairing the Market Intelligence session on the first day (3rd May).

Registration fees are:

IWTO Member (early bird until 16 th March)	€1,260 (inc VAT)
IWTO Member (after 17 th March)	€1,500 (inc VAT)
Young Professional (subject to application and approval)	€750 (inc VAT)
Non-member	€3,600 (inc VAT)
Partner	€300 (inc VAT)

The Congress will be held at the Old Swan Hotel and accommodation is available at a variety of hotels in Harrogate. Full details including registration and hotel accommodation bookings can be found at <http://www.iwto.org/events/2017-congress>.



OTHER INDUSTRY EVENTS

The next meeting of the **Australian Wool Production Forecasting Committee** will be on 19th April 2017 in Melbourne.

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

The **2017 Nanjing Wool Market Conference** will be held in Tongxiang, China on 17th to 18th September 2017.

WOOL SALES WEEK BEGINNING 20th FEB 2017 – week 34 (roster as at 16/02/2017)

<u>Sydney</u>	Wed, 22 nd Feb; Thurs, 23 rd Feb	12,020 bales
<u>Melbourne</u>	Tues, 21 st Feb, Wed, 22 nd Feb; Thurs, 23 rd Feb	25,943 bales
<u>Fremantle</u>	Wed, 22 nd Feb; Thurs, 23 rd Feb	8,959 bales

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

