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Weeklytimes

Wool price dips

SAGGING demand from China and a catalogue of nearly 50,000 bales of wool caused prices to fall last week.

Exporters have also been forward-selling wool at a discount in the physical market.

The key wool indicator - [the Eastern Market Indicator](#) - fell 21c/kg last week to 1191c/kg. The EMI has fallen 48c/kg in the past three weeks.

But [Techwool](#) Trading manager Josh Lamb said woolgrowers should not be spooked by the price drop.

He said future offerings will "look after the market", despite some exporters selling "the guts" out of the market by selling wool for September-December delivery at "massive discounts to the spot market".

"That's hurt confidence in China over the last few weeks, but I don't think it is anything growers should be panicking about," he said.

"The demand (in China) is just not great at all and that is just reflecting in the market when we get a sale with a bit of quantity going into recess, there is not enough demand to support it."

The pre-Easter catalogue of nearly 50,000 bales was the largest nationally in a month and included the biggest wool offering for the season in Melbourne.

Mr Lamb said all microns were affected, with 18.5-micron wool hit the hardest.

"Everything 19.5-20.5 micron is going domestically in China into some form of product, whether that is uniform material or whatever it might be, so those microns are still reasonably well supported," Mr Lamb.

"Once you go 18.5 (micron) and finer you are talking different products and lot of those tops are re-exported out of China into Korea, Japan, Europe and other places," he said. "Everything in those countries is flat as a tack at the moment."

[AWEX](#) reported heavy discounts for the large number of cot and colour lines in Sydney last week, and Melbourne had some high vegetable matter and faulty lines up to 100c/kg cheaper on the final day.

[Queensland Cotton's](#) wool division head Michael Avery said overall wool demand had been muted, but the market was heading into a period of tight supply.

"We don't see it slipping much further," Mr Avery said. "We're confident that the spring won't be too bad."

Just under 57,000 bales of wool will be offered nationally when the wool market resumes next week.