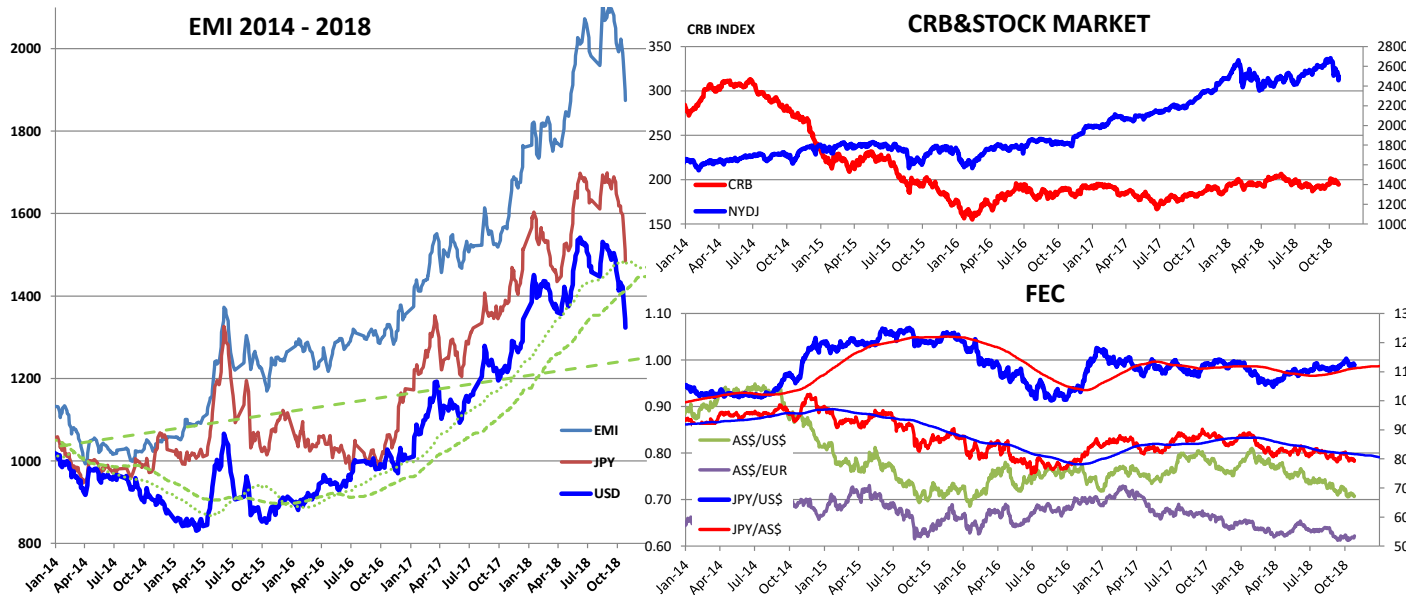


SALE WEEK 17



COMMENTS

Disappointingly large and negative price movements across the offering was unfortunately the result again at Australian wool auction sales this week. Price falls were significant and an average of around 5% was lost from clip values. As the past six or more years have seen price gains predominantly on the back of demand, similarly this rapid retraction in price levels is being caused by the slowing of buying by mainly Chinese manufacturers. All types and descriptions were affected, but once again the super fine (less than 18.5 mic) end of the Merino sector and all carding types were hardest hit.

Despite the major correction on Wednesday, just 26,000 bales were actually sold to the trade this week. The high passed in rate, nationally 23.6%, seemed to help the market yesterday as buyers increased their urgency as the sale progressed. They were struggling to secure sufficient volume. The general tone in the sale room on Thursday was considerably better and we felt the market in Melbourne (the largest offering) was only marginally changed compared to Wednesday. Fremantle, the last sale to finish, recorded gains yesterday of between 0.5 to 1%.

Whilst it is clearly not that easy to explain or predict why markets of any product react in the way they do, on the surface the current wool market behaviour seems to be going against the most logical of thinking. Supply is forecast to be in serious decline and demand for wool products, in particular Merino, at retail and consumer level remains strong, yet the market has taken this downturn. The most popular of reflections this week as to why the price fell so hard was the simple fact that exporters to China were experiencing very limited inquiry for new business and any new forward contracts were extremely hard, if not impossible, to come by. Interesting to note though was that the machinery demand in China has actually grown this year, with installation of even more wool processing capacity into some parts of that country. What has changed now though is that factories are prepared to sit out and leave machines idle rather than running machines at a potential loss. How long that can last is the great unknown.

40,000 bales are rostered for sale next week. We will see if grower expectations are adjusted with this week's correction or if they maintain expectation that exceed the current levels. This will go a long way towards determining the direction of the market next Wednesday. Some may well see this as a buying opportunity. There should be no doubt that the fundamentals of supply and demand that resulted in the recent record levels hasn't changed much. The market is correcting to a more appropriate level of price to match customer expectations. Typically the market will over correct before a bounce. Time will tell.

今週の羊毛市場は先週に続き大きく値を崩した。特に細番手と紡毛タイプの下げが顕著となっている。ここ2週にわたる下落幅は2003年以来最大、また10月期における相場急落に関してはリーマンショックのあった2008年以來という事になる。実際の値動きの幅は番手、タイプ、SPECによりバラつきはあるが、大雑把に括ると今年4月以降の相場上昇分を価格調整が始まった9月後半からここまででほぼほぼ吐き出した格好となる。目下のところ短期決戦専門の原料トレーダー勢が一斉にロングポジションの手仕舞い売りを迫られる一方で、商売のリードタイムの長いメーカー勢は買い下がりなら淡々と数量を稼いでいるという構図。メーカー勢としてはある程度の稼働率で操業維持を目標とするのであれば、これから年末までにはまだ相当量の原料を手当てしなければならず、そういう意味では今シーズンは最近にはない買い場に恵まれたという見方もできるかもしれない。

翻って見ると過ぎた4~6月期の相場高騰は3~4月頃に出された追加オーダーの物量と、その時点の供給量とのギャップによりもたらされたものとみてよいが、今回の価格調整が来シーズン向けの計画が具体化し始めるこのタイミングで起こったことは逆の意味で色々と暗示的ではある。

然しながら中国でのモノづくりをベースにした場合の諸々のスケジュール的な制約が不変である中、こうした中国勢の原料手当ての遅れのしわ寄せが、いずれ突発的な相場暴騰若しくは壮大な納期遅れといった形で顕在化する可能性も決して低くないとみる。いずれにせよ今回の価格調整は目下市場に漂う悲壮感ほどには底は深くもなければ、あまり長続きもしそうにないともておいた方がよいかもかもしれない。

MICRON INDEX

- ~18.5mic 続落。USDベース：▼4~5%
- 19.5mic 続落。USDベース：▼3~4%
- 20.5mic 続落。USDベース：▼3~4%
- 22.0-23mic 続落。USDベース：▼2~3%
- 24.5mic 反落。USDベース：▼3~4%
- XBD's 続落。USDベース：▼7~8%
- CARDINGS 急落。USDベース：▼10~13%

MAIN BUYERS/BALES

TYN-	2,701	STEC-	2,391	TECH-	2,329
GSA-	1,644	FOX-	1,603	AME-	1,520
KTEX-	1,507	MICH-	1,318	PJM-	960
LEMP-	581				

NEXT SALES

Week 18 (31/Oct - 01/Nov)			
SYDNEY	9,731	BALES	
MELBOURNE	22,145	BALES	(690bs ex NZM)
FREMANTLE	8,475	BALES	
TOTAL	40,351	BALES TO BE OFFERED	

<Motohiro Sydney Office>

MICRON INDEX 2014-2018

