

## Market conditions

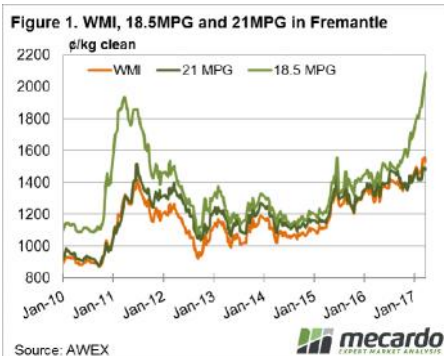


- Demand is at all time highs
- Flock Dynamics
- NZ Flock
- Open Top demand (close to the skin Knitwear)
- Chinese back buying 18's

## Current Prices and Premiums



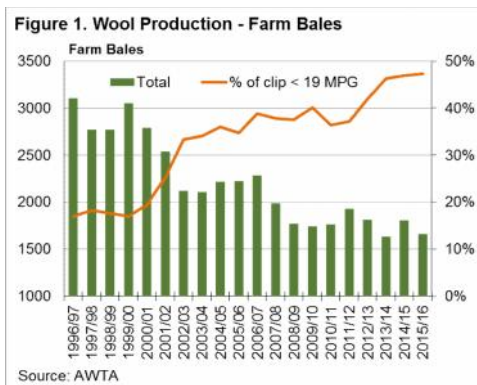
- 18 mic 2100 clean
- 21 mic 1515 clean



## Wool supply



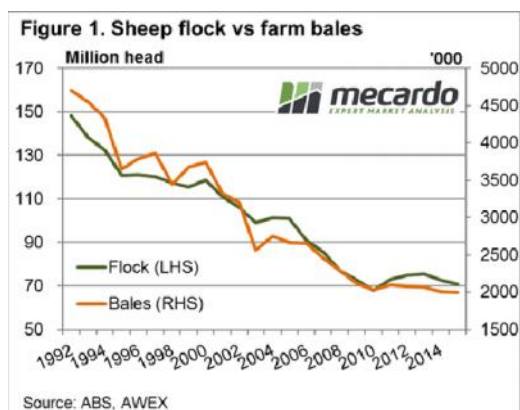
- Wool has lost ground to crops
- Fine wool was over-supplied
- Numbers are now stabilising
- Fine wool volume to fall
- Supply to consolidate



## Sheep Numbers



- Sheep Flock Decline since FPS
- Numbers are now stabilising
- AWTA tested figures up 14% to end of March YOY



## Wool Demand



- WMI in A\$ terms high levels
- Impact of the falling A\$ since 2011 means that foreign buyers have paid higher prices in near past for our wool
- Demand should remain firm



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## Forward Markets



- GTC
- Basis Contract
- Settlement
- MPG price on the day and Contract price
- MPC using options
- Better short term

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## Percentiles



Western MPG Spot Price Decile (2004-Current)								
	WMI	18.5u	19u	19.5u	20u	21u	22u	Card
Min	617	807	767	728	670	653	639	346
10%	707	944	908	857	796	740	710	409
20%	732	1010	934	897	830	773	744	425
30%	815	1094	1006	957	898	856	818	449
40%	899	1146	1070	996	944	924	899	547
50%	968	1189	1138	1107	1054	997	947	596
60%	1054	1235	1189	1157	1136	1122	1097	683
70%	1114	1306	1256	1232	1193	1186	1159	763
80%	1207	1421	1381	1351	1323	1286	1242	797
90%	1324	1530	1497	1454	1397	1360	1342	1058
Max	1556	2086	1942	1769	1619	1513	1463	1251



MPG's at 29/03/2017								
MPG's	1534	2086	1942	1760	1601	1476	1361	1235
Decile	99.5%	100.0%	100.0%	99.6%	99.5%	98.5%	91.9%	99.6%

## Indicative Options



Indicative Premiums Minimum Price Contracts					
10/03/2017					
Maturity	19 micron		21 micron		Premium (¢/kg)
	Strike Price	Premium (¢/kg)	Strike Price	Premium (¢/kg)	
Mar-17	1905	#####	1500		
Apr-17	1905	35	1500		27
May-17	1840	47	1475		36
Jun-17	1805	56	1465		44
Jul-17	1775	63	1455		50
Aug-17	1755	69	1440		54
Sep-17	1720	73	1410		58
Oct-17	1710	78	1400		62
Nov-17	1690	82	1385		65

# GTC Traded



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**FORWARD SALE AGREEMENT**  
Dated - 19 January 2016

**BETWEEN**

**1. The Vendor:**

ABN: 95 008 811 790  
and

**2. The Purchaser:**

**PRIMARIES** (ABN 95 108 324 408, of P.O. Box 1860, BARRA LANE DC, WA 6055 ("Primaries"))

The Vendor agrees to sell and the Purchaser agrees to buy, upon the following terms and conditions the Vendor's wool described as follows:

WOOL SOLD ON A WEIGHT BASIS	
3. Commodity:	Wool
4. Contract number:	501 368
5. Contract price:	1849.95/100kg
6. Settlement date:	15/02/2016
7. MFG (WEEK):	18/McIntyre
8. Contract Amount:	1000 kg on
9. Delivery:	P.O. Box 1860, BARRA LANE DC

**10. GENERAL TERMS & CONDITIONS**  
(All other conditions as per Forward Auction Contract Terms and Conditions)

**Wool Allocation:**  
PRIMARIES will allocate the lots on issue to the MFG and weight as possible. These lots will be sold in the auction unless stated otherwise.

**Settlement Calculation:**  
The final settlement price is calculated by adding your loss to the issue price. If Delivery is in issue as a release of how well your wool performs against the market. i.e. Auction Price (MFG). This base is then added to the base issue price above to determine the settlement price.

$$\text{Settlement Price} = \text{Base Price} + (\text{Auction Price} - \text{MFG})$$


• We confirm the agreement to sell wool described herein upon the terms and conditions herein

Vendor's Signature or Their Agent: \_\_\_\_\_ Print Name: \_\_\_\_\_ Date: \_\_\_\_\_

Purchaser's Signature or Their Agent: \_\_\_\_\_ Print Name: \_\_\_\_\_ Date: \_\_\_\_\_

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# Thank You

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