

SANDY PARKER Reports

WEEKLY INTERNATIONAL
FUR NEWS

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Dear Subscriber,

EARLIER APPREHENSION AS TO HOW MINK PRICES WOULD FARE AT THE JUNE ROUND OF AUCTIONS IN AN ALREADY SATURATED MARKET EASED LAST WEEK DURING THE FIRST OF THE MONTH'S FOUR OFFERINGS.

Mutations opened the sale at North American Fur Auctions and brought increases over April levels, ostensibly setting the pace for the other types to follow. White and pearl males advanced 10% to 15% and the females 5% to 10% under strong competition, the company reported. China was by far the biggest buyer, with good support from Greece on the males and Korea on the females, but all markets were active.

IT COULD NOT BE DETERMINED IF THE STRONG DEMAND REFLECTED ANTICIPATION OF NEEDS, OR MERELY SPECULATION TO TAKE ADVANTAGE OF CURRENT LOW PRICES.

Even with last week's advances, mink averages were still below production cost and the situation was ripe for major buyers to speculate. Moreover, relaxed terms by the auctions are making it easier to buy big quantities and put them in long-term storage. The auction began with the white and pearl mink going under the hammer. The 73,000 white males were 94% sold at a short-nap average of \$46.58 and a top of \$370, the 52,000 females 96% at \$28.58/\$300; the 57,000 pearl males 91% at \$42.68/\$51 and the 52,000 females 91% at \$25.08/\$34. The top lot of white males was bought by Enaga of China and the females by Haining City Nashi Fashion of China, both produced by Unicorn.

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BLACK AND MAHOGANY MINK FOLLOWED THE NEXT DAY AND THE PATTERN WAS PRETTY MUCH THE SAME. The Black NAFA males advanced 5%-10% over April, while the females increased 10% to 15%, the company reported. Mahogany males sold under strong competition, advancing a full 10% across all naps. The females, as well as a small collection of blue iris mink, sold at levels advancing upwards of 10%. China again was the day's biggest buyer, while Greece was the largest taker of high-quality black males and Korea dominated the females. The breakdown: 142,000 black males sold 97%, the short naps averaging \$47.67 and topping at \$760, the 149,000 females 99% at \$34.52/\$800. Both tops by Lodder Collection, the males to Enaga of China and the females to Woodan Fur of Korea.

THE MAHOGANY COLLECTION ALSO DREW STRONG DEMAND, THE 86,000 MALES SELLING 95% AND THE 92,000 FEMALES 100%. The males brought \$45.53/\$310 and the females \$28.97/\$35. The mink sale was continuing at the weekend with demi-brown, breeders, lowgrades and ranched foxes.

WILD FURS ALSO MOVED WELL AT THE NAFA SALE, THE COMPANY REPORTING THE VAST MAJORITY OF THIS YEAR'S REMAINING COLLECTION HAVING BEEN SOLD. The results were described as better than expected, but that the prices achieved at this sale – and so far this year – “remain very disappointing for most articles.” Exceptions were a strong assortment of better-colored Western lynx cats that advanced 40% to 50%, heavy Western coyotes that brought high prices and martens. The lynx cats brought strong competition for larger sizes and clearer bellies, especially from the Italian fashion industry. The top lot was bought by Fendi of Rome for \$1,100. Muskrat and beaver brought low prices, but were all sold, demonstrating that there is potential for improvement.

RESULTS FOR FRESH SUNDRY-OWNER GOODS ONLY, IN U.S. DOLLARS:
327,000 muskrat 100% sold at an average of \$2.65 and a top of \$6.50; 6,000 otter 100% at \$21.34/\$38; 23,000 mink 100% at \$7.95/\$24; 84,000 coyote: Western heavy 80% at \$68.22/\$150, Western semi 60% at \$26.78/\$66, Eastern 34% at \$29.70/\$104 and Section III 85% at \$5.69/\$20; 7,000 lynx 75% at \$40.42/\$140; 13,000 lynx cat: Western 100% at \$260.93/\$1,100, North Central 72% at \$44.34/\$145, Southwestern 88% at \$55.64/\$160, Central 95% at \$29.45/\$50 and Eastern Canadian 81% at \$41.83/\$130.

OTHER WILD GOODS SOLD INCLUDED: 23,000 marten heavy 1 100%: XXXL/XXL \$75.13/\$102, XL \$62.44/\$82, LGE \$38.59/\$49, overall \$62; Semi heavy: XXXL/XXL \$55.11/\$80, XL \$45.79/\$59, LGE \$29.53; 4,000 fisher 100%: LGE \$35.20/\$64, med \$22.47/\$26, small \$41.18/\$84, overall \$36.96; 340,000 raccoon 100%: Western/North Central \$5.83/\$196.50, Eastern/North Central \$4.35/\$13.50, Canadian \$4.84/\$12.50 and Western semi \$2/\$14.50; 71,000 beaver: Eastern 72% at \$8.29/\$37, Western 67% at \$6.24/\$29 and Section III 90% at \$8.07/\$12; 5,000 skunk 71% at \$3.96/\$13; 42,000 red fox 25% at \$14.36/\$43; 800 badger 93% at \$23.34/\$78; 500 timber wolf 58% at \$144.94/\$490; 100 bears 74% at \$119.87/\$250; 80 wolverine 100% at \$198.97/\$340. Squirrel, ermine, opossum and grey fox were mainly withdrawn.

CONSUMER CONFIDENCE IN THE AMERICAN ECONOMY, WHICH HAD DECLINED IN APRIL, DIPPED AGAIN SLIGHTLY IN MAY, ACCORDING TO THE CONFERENCE BOARD. The dip was attributed primarily to consumers rating current economic conditions less favorably than in April. Their expectations for the next six months declined further, said the board, as they remain cautious about the outlook for business and labor market conditions. “Thus, they continue to expect little change in economic activity in the months ahead.” The index now stands at 92.6 (1985=100), which is down from 94.7 in April. The present situation index decreased from 117.1 to 112.9, while the expectations reading went from 79.7 in April to 79.0.

THE PERCENTAGE OF CONSUMERS REPORTING THAT BUSINESS CONDITIONS WERE “GOOD” IN MAY IMPROVED FROM 24.2% TO 25.9%. However, those saying business conditions are “bad” also increased, from 18.2% to 21.6%. Consumers’ appraisal of the labor market was less favorable, those claiming jobs are “plentiful” virtually unchanged at 24.3%, but those maintaining that jobs are “hard to get” increased from 22.8% to 24.4%. Consumers were less optimistic than last month about the short-term outlook. Those expecting business

conditions to improve over the next six months increased from 13.8% to 15.1%, but those expecting conditions to worsen also rose, from 10.8% to 11.6%.

THEIR OUTLOOK FOR THE LABOR MARKET WAS LESS FAVORABLE, THOSE ANTICIPATING MORE JOBS TO BE AVAILABLE IN THE MONTHS AHEAD VIRTUALLY UNCHANGED AT 12.8%. But those expecting fewer jobs increased from 16.7% to 18.1%. The proportion of consumers expecting their incomes to increase improved from 15.8% to 16.2%, while those expecting a reduction remained steady at 12.4%.

IN CONTRAST, THE MONTHLY SURVEY BY THE UNIVERSITY OF MICHIGAN FOUND A GAIN IN CONSUMER CONFIDENCE. That survey was taken later than the May 19 cutoff of the Conference Board's, which was conducted by Nielsen. The Michigan poll found consumers slightly less optimistic in late-May than they were earlier in the month, but sentiment was still substantially higher than in April. Despite the meager GDP growth as well as a higher inflation rate, this survey found that consumers became more optimistic about their financial prospects and anticipated a somewhat lower inflation rate in the years ahead.

POSITIVE VIEWS TOWARD VEHICLE AND HOME SALES ALSO POSTED GAINS IN THE MICHIGAN FINDINGS, LARGELY DUE TO LOW INTEREST RATES. The biggest uncertainty consumers see on the horizon is not whether the Fed will hike interest rates, but the outlook for future government economic policies under a new president. This, the survey found, has increased consumer emphasis on maintaining precautionary savings, although the savings rate is not expected to increase much beyond its present level. Overall, the data indicate that inflation-adjusted consumer expenditures can be expected to rise by 2.5% in 2016 and 2.7% in 2017. Michigan's index of consumer sentiment rose to 94.7 in May from 89 in April and the expectations index to 84.9 from 77.6.

THE COMMERCE DEPT. REPORTED LAST WEEK THAT CONSUMER SPENDING SURGED IN APRIL BY THE LARGEST AMOUNT IN SIX YEARS, LED BY A BIG JUMP IN AUTOS AND OTHER DURABLE GOODS. Incomes were up a solid 0.4%, matching the March gain. Wages and salaries, the most important component of incomes, gained 0.5%. The strong April showing for consumer spending, which accounts for 70% of economic activity, was taken as a good sign that the economy is performing notably better this quarter after nearly stalling out at the beginning of the year. Many economists believe the economy is growing at a 2.5% rate, outpacing a 0.8% gain in the first quarter.

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KOPENHAGEN FUR HELD A GRAND OPENING CEREMONY FOR ITS BONDED WAREHOUSE IN TONG'ERPU WITH ITS PARTNERS, DAMCO AND THE LIAONING BAO SHENG GROUP. The project, under the name of Global Fur Logistics, was started more than two years ago in steady communication with Chinese customs and other agencies. During the opening, Kopenhagen staged a fashion show featuring collections of top Chinese designers.

DOCUMENTARY DEPT.: *Angry Inuk*, a documentary by Inuit film maker Alethea Arnaquq-Baril, premiered recently in Canada with the goal of reinvigorating the debate over the annual seal hunt. It tells the story of Inuit communities across Canada that are actively involved in the sealing industry and it does so from the ground level. It shows how Inuit children in schools learn about the value of a life, how hunters track their prey and how entire communities rely on the useable meat that is brought back. It's raw and shot from the perspective of people living off the sale and consumption of seal products.

INTERVIEWED BY CANADIAN PUBLICATION VICE, ARNAQUQ-BARIL TELLS HOW SHE GREW UP HUNTING AND EATING SEAL MEAT WITH HER FAMILY. "As an Inuk, you just grow up hearing people criticize seal hunters. It's always been an issue for me and I knew that when I became a film maker that I was eventually going to have to cover this issue." She spent the last eight years filming in the Arctic and in Newfoundland and Labrador and says she has tried to chase down animal rights groups for a response to the film and the Inuit people's belief that the seal hunt is necessary for their survival.

ANIMAL WELFARE GROUPS ARE SEEKING TO OVERTURN UTAH'S "AG GAG" LAW, WHICH PROHIBITS PHOTOGRAPHING OF VIDEOTAPING AGRICULTURAL OPERATIONS. In a filing last week, the Animal Legal Defense Fund and PeTA asked a federal judge for summary judgment and a declaration that the law violates the First and Fourteenth Amendments.

Very truly yours,

A handwritten signature in black ink, appearing to read "Sandy Parker". The signature is fluid and cursive, with the first name "Sandy" written in a larger, more prominent script than the last name "Parker".

