

WEEKLY MARKET REPORT

Week Ending 12th November, 2021
AWEX Northern Micron Indices Comparison

AWEX INDEX	This Week S19/21	This Week M19/21	Last Sale S18/21	Sydney Change	Last Year Sydney	Sydney Yearly Change
17	2338	2364	2419	-81	1808	+530
18	1950	1977	1997	-47	1578	+372
19	1613	1614	1640	-27	1393	+220
20	1334	1334	1364	-30	1259	+75
21	1287n	1277	1312n	-25	1208n	+79
26	740n	725	725n	+15	838n	-98
28	418n	415	430n	-12	615n	-197
MC	858n	869	844n	+14	764n	+94

LEVY POLL NOT POSITIVE FOR AWI

True to form the wool market followed the pattern that has been in play since mid August - a dearer sale followed by a cheaper market. This series was the "cheaper" trend with sub 17 microns copping the largest discounts as the shine has well and truly come off these types over the past few sales. Even so they are still at superior levels to 12 months ago (table above) with broader types less affected. The AWEX EMI lost 21 cents to 1319 and in US\$ terms a 27 cent retreat to 972. The falling A\$ was of no help to the market down by over 1.5 cents (2%) this morning to 72.85 - its lowest level for over a month. No type was immune from the negative tone in the sale rooms as 17 micron and finer lost 80+ cents with 17.5 to 18.5 back by 45 to 55 cents and coarser types 20 to 30 cheaper. The premiums for superfine types over medium and coarser microns have been shrinking week by week. Superfine skirtings bore the brunt of falls as <16 micron lost 30 to 40 cents with burrier lots 20 to 40 cents lower. The carding market had 3 different results for the 3 centres with Sydney performing the best as most types added 10 to 25 cents bar superfine STNs which were 10 to 15 cents cheaper. Crossbreds looked to be split at 26 microns - any finer than this the market added 15 to 20 cents and broader microns lost 10 to 25 cents.

After last series' good gains for medium types, the markets' downward adjustments and the ongoing price correction for superfine wools this sale was due to subdued demand from China. Most of the falls occurred on the opening day and showfloor talk has the market firm to seller's favour for next week. Power supply restrictions due to the ongoing coal rationing and the environmental targets regime being enforced on industries is resulting in only 3 to 4 days of work for lots of factories limiting the need for raw materials and the production of goods. The zero Covid-19 tolerance policy is also an inhibiting factor leading to sluggish demand.

The WoolPoll results were not good news for AWI. The company had recommended a return to 2% while growers not only voted to maintain 1.5% but after preferences it received 69% of votes - a massive shift in support for the levy rate. The 2% recommendation only received 27% of votes. The other disappointing result was the rejection of going to a 5 year poll cycle with 64% wishing to retain it at 3 years meaning closer scrutiny of all projects and more emphasis on "bang for buck". AWI has substantial reserves which are now even more important to continue work in areas of priority. Voting winds up next Wednesday 10am for the AGM Director elections, anyone still to vote should only vote online or email. If shareholders are having any difficulties, they can contact AWI on 02 8295 3100.

Southern Aurora Fwd Prices

Micron	Date	Low
21	Jan. 22	1260

Main Buyers (this week)

1	Techwool Trading	5847	2	Tianyu Wool	2873	3	Endeavour Wool	2631
4	Fox & Lillie	2475	5	Australian Merino	2209	6	PJ Morris Wools	2126

Eastern Market Indicators (AUD cents/kg clean)
1319 cents ↓ 21 cents compared with 05/11/2021

Northern Market Indicators (AUD cents/kg clean)
1394 cents ↓ 22 cents compared with 05/11/2021

AUD/USD Currency Exchange
0.7368 ↓ 0.0088 compared with 05/11/2021