

WEEKLY MARKET REPORT

Week Ending 3rd December, 2021

AWEX Northern Micron Indices Comparison

AWEX INDEX	This Week S22/21	This Week M22/21	Last Sale S21/21	Sydney Change	Last Year Sydney	Sydney Yearly Change
17	2413	2403	2399	+14	1844	+569
18	2021	2017	2003	+18	1560	+461
19	1660	1659	1662	-2	1377	+283
20	1372	1379	1366	+6	1234	+138
21	1317	1318	1308n	+9	1178n	+139
26	744n	728n	740n	+4	768n	-24
28	408n	400	408n	-	490n	-82
MC	874n	904n	874n	-	734n	+140

OMICRON - WILL IT DAMPEN DEMAND?!!

For the 3rd sale in a row the wool market eked into positive territory, albeit by just 5 cents to 1346. In US\$ terms the market actually lost ground by 7 cents to 960. This was due to the falling A\$ against the greenback going as low as 71.25 cents on Thursday and under 71 cents this morning. The market had not seen gains extend beyond 3 weeks since June. The rises were minute but always welcome with the finer microns gaining 5 to 20 cents while 19s and coarser were just into seller's favour. Skirtings had a very quiet sale to be quoted as fully firm all week. The same could be said for cardings as buyers struggled to change their quotes on all types in this sector. Crossbreds ended the series either side of unchanged but in Melbourne 26s and finer rose by 10 to 30 cents. Despite the marginally dearer market, the pass-in rate actually rose to by 2.5% to 10%.

The new global buzz word for the week is Omicron - the latest variant of Covid-19 that originated in South Africa. No sooner had the news broken on this strain than cases were being detected in Australia as well as Europe. Some medical experts are saying it can be very contagious but not as deadly as the Delta strain (hopefully). What will this do to demand?? Even before this latest discovery, large pockets of China and Europe were heading back into lockdown. This threat to demand coming at the most critical time for retailers and consumers across the world, as Christmas and a Northern Winter approach. Time will tell if this latest variant will dampen the demand in 2022.

The following figures indicate a great recovery in consumer spending this year compared to 2020. China's garment industry had expanded by 9% in January to September compared to last year. US textile and apparel imports grew by 27% for the same period compared to 2020. The US retail imports are currently at near record levels with retail sales up 13% year to year. The energy problems in China look to be over as power is restored to critical industry without interruption. Delays in shipping are still a major concern globally as vessels are still experiencing long delays or cancellations and a lack of containers is also problematic for exporters.

China's 1st stage manufacturers kept up their recent buying pressure, forcing traders and indent buyers to up their ante to secure any outstanding commitments. Any new business that was written was sporadic at best and limited to a few specific types - certainly not across the board and very sensitive to price given the FRX is at lows not seen for some time. The penultimate sale for the calendar year is next week with most types solid to dearer.

Southern Aurora Fwd prices

Micron	Date	Low
21	Jan. 22	1300

Main Buyers (this week)

1	Techwool Trading	5273	2	Endeavour Wool	3232	3	Tianyu Wool	2920
4	PJ Morris Wools	2824	5	Sequoia Materials	2814	6	Australian Merino	2347

Eastern Market Indicators (AUD cents/kg clean)
1346 cents ↑ 5 cents compared with 26/11/2021

Northern Market Indicators (AUD cents/kg clean)
1426 cents ↑ 5 cents compared with 26/11/2021

AUD/USD Currency Exchange
0.7168 ↓ 0.0046 compared with 26/11/2021