



WEEKLY MARKET REPORT

Week Ending 28th January, 2022
 AWEX Northern Micron Indices Comparison



AWEX INDEX	This Week S30/21	This Week M30/21	Last Sale S29/21	Sydney Change	Last Year Sydney	Sydney Yearly Change
17	2540	2585n	2495	+45	2012	+528
18	2143	2143	2110	+33	1651	+492
19	1725	1729	1712	+13	1396	+329
20	1442	1431	1427	+15	1230	+212
21	1373n	1352	1359n	+14	1163n	+210
26	748n	732	-	-	715n	+33
28	422n	422	415n	+7	461n	-39
MC	964n	952	928n	+36	818n	+146

1400 CENTS – ONWARDS AND UPWARDS??

From what most of the good judges thought, the market's cheapening trend at the end of last week's sale looked to continue this sale unless there was a sudden influx of business. The market's opening almost went to script as broader than 18.5s fell by 10 to 25 with finer types in seller's favour, this despite the FRX falling by 1 cent. The Australia Day holiday had the final day of sales held back to Thursday but another downward adjustment in the FRX looked too good to ignore as buyers stepped in and bought up in the final session as all types in all sectors increased. By the end of sales, the AWEX EMI had finally broken through the 1400 cent barrier to finish at 1407 - a 15 cent rise for the week and a 6 month high. As the FRX moved, this saw a fall of 11 cents in the market in US\$ terms to 995. Finer microns performed the best with 30 to 45 cent gains for <18 micron and 10 to 15 cent lifts for broader microns bar 19.5s which were in buyer's favour. Fine skirtings <18 micron and <3% VM jumped by 30 to 50 cents with all others up by 20 to 30 cents. Cardings recorded gains of 20 to 70 cents across the board as the MCI in Sydney rose by 36 cents but a fall in Fremantle of 25 cents could pose problems for this sector next week. Crossbreds increased in value by up to 15 cents. The pass-in rate fell only marginally to 8.7%.

Some buyers have expressed concern over the large weekly volumes on offer to start the year. A quick look at the corresponding sales from last January actually had slightly more wool on offer (3%). A surprising upturn in business being written early in the week and then a flurry on Wednesday as the FRX fell by 1.50 cents (2.10%) to 70.75 saw the market shake off any concerns of a price correction due to volume or price sensitivity. Some buyers (especially Chinese mills) looked to secure wool before the Chinese New Year next Tuesday as many workers have already gone back to their home villages for the week before any more government lockdowns are reinforced. This has left many factories in multiple industries understaffed and not able to work to full capacity. Even though this last minute recovery was Chinese led, all other wool processing countries were not to be outdone wanting to buy on a rising market than at the top. Traders still dominate buying lists but 1st stage processors are edging up the list. Finance terms that are locally available from Australian exporters are now more favourable than the "term costs" coming from China. Many are choosing that option as access to finance, delivery delays as well shipping delays and the cost of containers will still be in play for a while - up a massive tenfold in price from Los Angeles to Shanghai and almost as much from Sydney.

Southern Aurora Forward Prices

Micron	Date	Low
21	Jan. 22	1362

Main Buyers (this week)

1	Techwool Trading	6953	2	Fox & Lillie	3767	3	PJ Morris Wool	3489
4	Endeavour Wool	3480	5	Tianyu Wool	2596	6	Australian Merino	2195

Eastern Market Indicators (AUD cents/kg clean)
 1407 cents ↑ 15 cents compared with 21/01/2022

Northern Market Indicators (AUD cents/kg clean)
 1501 cents ↑ 20 cents compared with 21/01/2022

AUD/USD Currency Exchange
 0.7073 ↓ 0.0156 compared with 21/01/2022