



WEEKLY MARKET REPORT

Week Ending 25th February, 2022
AWEX Northern Micron Indices Comparison



AWEX INDEX	This Week S34/21	This Week M34/21	Last Sale S33/21	Sydney Change	Last Year Sydney	Sydney Yearly Change
17	2638	2701n	2621	+17	2145	+493
18	2155	2185	2145	+10	1851	+304
19	1709	1708	1709	-	1625	+84
20	1422	1434	1427	-5	1402	+20
21	1349n	1352n	1349n	-	1294n	+55
26	728n	734n	-	-	765n	-37
28	417n	420	414n	+3	515n	-98
MC	1002n	996	1001n	+1	866n	+136

RUSSIA & UKRAINE - TROUBLED TIMES AHEAD!!

After Melbourne's good performance last Thursday, most participants thought the market would be firm to seller's favour despite another large offering of 50,000 bales. The market was off to a shaky start with broader types on the East coast cheaper and all types in Fremantle down. All 3 centres shook off the nervous opening session to be in the positive on Wednesday with Melbourne's final day of selling on Thursday in isolation. The market looks to have flattened out over the past 4 selling days moving just 4 cents (1417 to 1421). Once again, sub 18.5s led the way as these wools gained 10 to 20 cents. 19 micron and coarser were unchanged to buyer's favour. Skirtings remained fully firm for the series bar a pocket of types in the 17 to 18 micron, >3% VM range which lost 20 to 30 cents. Cardings went the opposite direction of their FLC counterparts - dearer in the opening session only to lose most of these gains on the final day. LKS were the only real mover in this sector finishing in seller's favour. Finer XBs <26 dropped by 10 cents while broader microns were in seller's favour. The AWEX EMI gained just 1 cent to 1421 and in US \$ terms the loss was 3 cents to 1021, this due to the FRX dipping sharply to 71.85 cents from mid 72s. The pass-in rate was slightly higher at 12%.

Many buyers still believe that this is the bottom of the market for the time being. The virtual flatlining of the market over the past fortnight, the strengthening FRX against most currencies and current levels of demand has us in good stead to hopefully weather any storms ahead. One looming factor is the conflict in Eastern Europe that is unsettling global stock markets, sending commodity prices higher and global currencies lower. Most economies we rely on for our exports are well into the "recovery mode" as far as Covid-19 is concerned with hard borders being unlocked globally bar the US and China. Vaccination rates are high in most western countries leaning towards its now flu like treatment. As people get back into the swing of international travel and back into the office, we could see an upward shift in demand for suiting (merino worsted) and XB wool. The market for knitwear, sporting, casual and outdoor wear has driven the price increase for merino wool for the past 18 months. Next week's offering is 51,000 bales. Hopefully the Russian invasion of Ukraine or a lack of finance doesn't give the market the fright that stock markets have gotten.

We finally were granted Council approval to commence building of the new shed this week, yippee!!! Hopefully we will see some activity in the next few weeks at long last.

Southern Aurora Forward Prices

Micron	Date	Low
21	Mar. 22	1360

Main Buyers (this week)

1	Techwool Trading	6455	2	Tianyu Wool	4196	3	Endeavour Wool	3661
4	Fox & Lillie	2674	5	PJ Morris Wool	2167	6	Modiano Australia	1556

Eastern Market Indicators (AUD cents/kg clean)
1421 cents ↑ 1 cent compared with 18/02/2022

Northern Market Indicators (AUD cents/kg clean)
1513 cents ↑ 2 cents compared with 18/02/2022

AUD/USD Currency Exchange
0.7183 ↓ 0.0031 compared with 18/02/2022