



# WEEKLY MARKET REPORT

Week Ending 4<sup>th</sup> February, 2022  
AWEX Northern Micron Indices Comparison



AWEX INDEX	This Week S31/21	This Week M31/21	Last Sale S30/21	Sydney Change	Last Year Sydney	Sydney Yearly Change
17	2638	2654	2540	+98	2144	+494
18	2197	2188	2143	+54	1780	+417
19	1766	1776	1725	+41	1537	+229
20	1487	1479	1442	+45	1340	+147
21	1402n	1402	1373n	+29	1340	+62
26	772n	760	748n	+24	1273	-501
28	435n	443	422n	+13	531n	-96
MC	1008n	978	964n	+44	906n	+102

## IS 1500 WITHIN REACH??

It was certainly onwards and upwards for the wool market as it had its largest weekly rise since October (42 cents). For some time, China has been playing second fiddle to other wool destinations (especially Europe) with the volume of wool purchased. Finally, this situation looks to have caught up with them as a few buyers have commented that they would have to reassert their market domination sooner rather than later. Some have also mentioned that the need to secure volume was a matter of urgency for many mills and downstream processors. The market opened with a bang and consolidated in the final session for a 42 cent gain to 1449. The rise in US\$ terms was almost as good with a 37 cent lift to 1032 as the FRX strengthened slightly going above 71 cents to 71.25. Finer types benefitted the most from the renewed demand as <17 added 75 to 100 cents with broader microns up by 30 to 55 cents. Skirtings also made impressive gains with all types adding 40 to 80 cents regardless of VM or L&S readings. Cardings continued their resurgence as the MCI jumped by 44 cents to 1008 - now up by 120 cents since sales resumed. All types were dearer by 30 to 40 cents with emphasis on <17.5 micron LKS that climbed by 60 to 80 cents. Crossbreds weren't neglected either, although not rising by the margins of the merino sector they still added 15 to 25 cents. Surprisingly, the pass-in rate only dropped marginally (1.6%) to 6.9% nationally and 4% in Sydney.

Chinese New Year celebrations can sometimes stifle the wool market as a weeklong shut down for a lot of industries is not uncommon. This was certainly not the case as the four sales to start the year have certainly been profitable for growers. The AWEX EMI has added 105 cents and is at its highest level since late June (1468) - we are currently just 19 cents shy of that mark. Apart from renewed Chinese interest, Indian and European orders that had not been previously filled and additional business written have helped fueled the fire that led to the market gaining traction. Can the market continue to get dearer?? Many buyers are of the opinion that it could keep going in the short term. Next week's offering of 48,200 bales (the largest since August) may test it. The wool market was consistent with gains for other commodities with cotton, oil and iron ore prices rising by 4 to 7%. Testing figures from AWTA suggest a slowing in wool being tested. 22,000 tonnes were tested in January a drop of 17% on the 7 year average. That is 13% less than the same month last year and the least volume done in January for 10 years. For the season to date we have tested 11% more wool than the previous season equating to 182.6M kg compared with 164.3M kg last season.

### Southern Aurora Forward Prices

Micron	Date	Low
21	Jan. 22	1402

### Main Buyers (this week)

1	Techwool Trading	5425	2	Endeavour Wool	3965	3	PJ Morris Wool	3262
4	Australian Merino	2814	5	Fox & Lillie	2790	6	Tianyu Wool	2426

Eastern Market Indicators (AUD cents/kg clean)  
1449 cents ↑ 42 cents compared with 28/01/2022

Northern Market Indicators (AUD cents/kg clean)  
1543 cents ↑ 42 cents compared with 28/01/2022

AUD/USD Currency Exchange  
0.7124 ↑ 0.0051 compared with 28/01/2022