



# WEEKLY MARKET REPORT

Week Ending 11<sup>th</sup> March, 2022  
AWEX Northern Micron Indices Comparison



AWEX INDEX	This Week S36/21	This Week M36/21	Last Sale S35/21	Sydney Change	Last Year Sydney	Sydney Yearly Change
17	2665n	2656n	2649	+16	2126	+493
18	2156	2176	2138	+18	1825	+304
19	1708	1707	1701	+7	1597	+84
20	1428	1435	1416	+12	1396	+20
21	1328n	1324	1324n	+4	1297n	+55
26	-	1316n	718n	-	-	-37
28	424n	421	418n	+6	525n	-98
MC	974n	985	979n	-5	869n	+136

## MARKET HANGS ON DESPITE TROUBLED WATERS!!

The rising FRX was having an adverse effect on business being written meaning that this week's sale outlook was not the best. The chances of the market improving was diminishing rapidly. Last series the A\$ rose by 1 cent to cheapen the market by 14 cents. On Monday night our source thought the market could have been up to 30 cents cheaper as the A\$ jumped to 74.15 cents (a 4 month high). 24 hours later the FRX had fallen below 73 cents (72.80) - enough to see mills commit to placing orders and have the market improving by up to 20 cents. The market did just that as the opening session's good gains were followed by a consolidation in the final session. The AWEX EMI added 6 cents to 1413 and 8 cents in US\$ terms to 1034 as the A\$ steadied around 73.20 cents. Most micron rises were in double figures bar 19/21s which averaged a 6 cent gain as 19.5, 20 and 22s rose by 10 to 15 cents. Finer types <18.5 advanced by 15 to 30 cents. Skirtings followed the same pattern as their FLC counterparts with finer types <17.5 micron and <2.5% VM lifting by 10 to 20 cents with all others remaining unchanged. The ever increasing amount of COL and COTT in the skirtings will have a detrimental effect on the value of these types going forward. It will be crucial to try and skirt the cott and jowly pieces from the BKN as the wet and long grass that sheep have been in is making skirting the FLC harder. The discounts are growing as more and more inferior types come onto the market - too much cott/jowl in the PCS will devalue these types by up to 50%. Cardings ended the sale slightly cheaper while STN lost 10 to 20 cents with all other types in this sector fully firm. The MCI fell by 5 cents to 974. Crossbreds had a steady sale as most types added around 5 cents to their previous week's values. The pass-in rate fell only marginally to 10%.

Shipping delays and financial constraints are still the biggest problems facing exporters. The number of container ships is on the increase (albeit very slowly) as crews are able to link back up with ships - being able to book a vessel to put your container on is problematic. The demand for space on ships is outstripping the number of ships available as trade between continents ramps up to levels pre Covid-19. Wool dumps (where the wool is containerized) are also bursting at the seams. This is making shipping deadlines very tight with no real lag time for when the dump needs the wool to when it is containerized and on the boat. These dramas for buyers had some of them convinced (with the high FRX) that the market could've taken a bit of a battering this sale. The market is certainly showing some good resistance under these circumstances especially with the higher than normal volumes on offer. The market has done well with good demand from all wool destinations. 48,500 bales are rostered for sale next week. Not much change expected either way.

### Southern Aurora Forward Prices

Micron	Date	Low
21	Apr. 22	1320

### Main Buyers (this week)

1	Techwool Trading	7329	2	Endeavour Wool	4473	3	Tianyu Wool	3598
4	PJ Morris Wool	2943	5	Fox & Lillie	2770	6	Australian Merino	2720

Eastern Market Indicators (AUD cents/kg clean)  
1413 cents ↑ 6 cents compared with 04/03/2022

Northern Market Indicators (AUD cents/kg clean)  
1510 cents ↑ 7 cents compared with 04/03/2022

AUD/USD Currency Exchange  
0.7318 ↑ 0.0025 compared with 04/03/2022