



WEEKLY MARKET REPORT



Week Ending 6th May, 2022

AWEX Northern Micron Indices Comparison

AWEX INDEX	This Week S44/21	This Week M44/21	Last Sale S43/21	Sydney Change	Last Year Sydney	Sydney Yearly Change
17	2631n	2669	2624	+7	2304	+327
18	2109	2214	2097	+12	1948	+161
19	1723	1709	1684	+39	1637	+86
20	1426	1423	1388	+38	1365	+61
21	1331n	1354	1302n	+29	1277n	+54
26	-	685n	-	-	-	-
28	397n	413	392n	+5	515n	-118
MC	946n	954	929n	+17	922n	+24

BACK ABOVE 1400 CENTS, JUST!!

The resilience of the wool market was no more evident than this week: while still plagued with massive shipping delays, demand wavering in Europe due to the war and skyrocketing energy costs the market put on a bit of a show. For the 1st time in 5 sales the market has climbed to above 1400 cents. The favourable FRX has finally coerced buyers into writing some business prior to this week's sale and with forecast weekly offerings just shy of 40,000 bales for the foreseeable future, signals that the market was on a dearer footing were spot on. From the opening lots on the East Coast till the final lot sold in Fremantle, buyers were keen to secure volume and were prepared to pay for it. Good rises over the 2 sale days in all categories saw the AWEX EMI rise by 24 cents to 1401. The gains in US\$ terms was almost as impressive with a 16 cent jump to 997 as the A\$ barely moved all week to remain at 71.15 cents. Price shifts in the fine to medium microns were the best: 30 to 55 cents for 18.5 to 21 micron as 18 and finer added 5 to 20 cents while the odd lot with good specs was up to 200 cents better than the indicator. Merino skirtings followed a similar pattern with the low VM types (<3%) 40 cents to the good with all others unchanged. Cardings shook off the losses of the past 5 sales with the 3 centres now averaging a price of 957 for their MCI. Locks led the recovery with rises of 30 to 50 cents while all other types tended in seller's favour. Crossbreds finished up to 5 cents higher. Growers were happy with the rising market as the passed-in rate fell to 6%.

The market looks to have shaken off the pre-Easter, 5 week losses of 46 cents. This sale's gains and last week's consolidation has seen the market claw back 34 cents as traders and indent buyers competed with direct mill operators in the salerooms. This week's rise of 24 cents was the largest weekly gain since early February and in fact the market had only risen on 2 occasions through to Easter since then. Despite the ongoing challenges that the market faces, it is performing well with underlying demand good. If shipping delays and strict lockdowns in China were to be a thing of the past the market would be higher (by how much is the million dollar question) but some buyers are saying in % terms well into double digits. The war is putting a dampening effect on European demand as consumers become more cautious with their money and discretionary spending has slowed to a crawl. On the plus side the market is 6% higher (82 cents) than this week last year with 11% more wool being offered (151,130 bales). This increase in wool sold has seen the value of the clip rise by \$406 million to \$2.1 billion so far this season. The rise in the market this week has seen a little increase in the national catalogue for next week: 2,700 bales since Monday to 42,700 bales - this is about the volume that buyers are comfortable with in the current economic global climate. We will offer 900 bales on Wednesday.

Southern Aurora Forward Prices

Micron	Date	Low
21	May 22	1325

Main Buyers (this week)

1	Techwool Trading	5509	2	Fox & Lillie	3624	3	Endeavour Wool	3239
4	United Wool	2766	5	Tianyu Wool	2290	6	Australian Merino	2143

Eastern Market Indicators (AUD cents/kg clean)
1401 cents ↑ 24 cents compared with 29/04/2022

Northern Market Indicators (AUD cents/kg clean)
1489 cents ↑ 23 cents compared with 29/04/2022

AUD/USD Currency Exchange

0.7114 ↓ 0.0006 compared with 29/04/2022