



WEEKLY MARKET REPORT

Week Ending 10th June, 2022
AWEX Northern Micron Indices Comparison



AWEX INDEX	This Week S49/21	This Week M48/21	Last Sale S48/21	Sydney Change	Last Year Sydney	Sydney Yearly Change
17	2736	2780	2712	+24	2388	+348
18	2232	2242	2190	+42	2001	+231
19	1757	1767	1729	+28	1682	+75
20	1459	1464	1420	+39	1349	+110
21	1382	1384	1341	+41	1264n	+118
26	-	690	-	-	718n	-
28	406	423	-	-	453n	-
MC	943	926	951	-8	925n	+18

LOSSES QUICKLY RECOVERED

As is the case most times, presale showfloor talk was spot on for a dearer market. The softer tone of the past fortnight was completely reversed plus some as the AWEX EMI lifted by 24 cents, in stark contrast to the 20 cent fall for the 2 previous sales. This is a great result considering the FRX went against commodity exporters by half a cent to 72.25 cents, its highest level in 4 weeks. Most emphasis in the merino fleece room was on the fine to medium microns with 17.5 to 22s jumping by 30 to 45 cents. Superfine types went up 20 to 25 cents and better spec types across the entire micron range added 50 to 100 cents to their quotes. This was reflected in the clearance rate of 95.35%, the highest for some time. Skirtings followed a similar pattern with low VM, good style types 20 to 25 cents to the good but the poorer style, high VM lots containing COL/COTT couldn't go with their better style counterparts and fell by another 10 to 20 cents as buyers find it harder and harder to place these lots into orders. After last series' big falls, cardings still cheapened up though not to the extent of the last sale and were quoted about 5 to 10 cents cheaper. Crossbreds had a steadier sale but did finish in seller's favour. The AWEX EMI added 24 cents (1.7%) to 1438: its highest level since early February (2nd highest for the season) and due to FRX movements, the shift was similar in US\$ terms: a 26 cent rise (2.2%) to 1039 with 10% passed-in.

With just the 2 East coast centres in action, the national catalogue of 31,000 bales was the smallest in nine months. The sudden turnaround in sentiment could be the result of a few factors: this time of year the volumes are smaller and if demand is good the market rises, also (and more critically) logistics in global supply chains look to be on the improve as wait time for ship movements in Shanghai have dropped dramatically in the past 3 weeks, and the upward shift in demand for wool as all types of manufacturing reopen and get back to full capacity in China now that the harsh lockdown policies are lifting. While this may be good news from our biggest customer, a cautious outlook from the rest of the world is the status quo as rising inflation and interest rates will dampen consumer confidence and stall recovering economies despite the trillions \$ that consumers globally have saved up during the pandemic and will spend when the time is right - soon hopefully.

This week's sale saw the volume of wool sold go through the 1.5 million bale mark for the season, equating to almost \$2.5 billion worth. One of the big traders looked to come back into the market this sale, concentrating on merino combing types and competing well with the 1st stage processors who dominated buying lists in all sectors for the 3rd week running. Next week has Fremantle selling again with a national catalogue of 38,000 bales on offer. This shouldn't be an issue if demand stays good and the FRX doesn't climb as it did immediately after the interest rate rise on Tuesday (up to 72.4 cents).

Southern Aurora Forward Prices

Micron	Date	Low
21	July 22	1330

Main Buyers (this week)

1	Techwool Trading	4223	2	Tianyu Wool	3325	3	Fox & Lillie	3036
4	Endeavour Wool	2833	5	United Wool	1868	6	Australian Merino	1421

Eastern Market Indicators (AUD cents/kg clean)
1438 cents ↑ 24 cents compared with 03/06/2022

Northern Market Indicators (AUD cents/kg clean)
1540 cents ↑ 23 cents compared with 03/06/2022

AUD/USD Currency Exchange

0.7226 ↑ 0.0064 compared with 03/06/2022