



WEEKLY MARKET REPORT



Week Ending 15th July, 2022
AWEX Northern Micron Indices Comparison

AWEX INDEX	This Week S02/22	This Week M02/22	Last Sale S01/21	Sydney Change	Last Year Sydney	Sydney Yearly Change
17	2639	2751	2662	-23	2538	+101
18	2058	2165	2095	-37	2129	-71
19	1683	1688	1698	-15	1768	-85
20	1442	1447	1456	-14	1438	+4
21	1384	1403	1403	-19	1342	+42
26	-	705n	-	-	-	-
28	390	410	-	-	530n	-140
MC	913	904	919	-6	948n	-35

AS EXPECTED, MARKET FINISHES CHEAPER

The market continued to cheapen (as was widely forecast) as we wind up sales before the annual 3 week winter recess. One of our regular buyers who supplies us with market information was again spot on with his market intel. A cheaper opening to the series, then some sort of consolidation on the 2nd day then the final session in Melbourne would see a strengthening market. This is exactly what happened to have the AWEX EMI lose 19 cents to fall below 1400 cents to 1388. The falls could've been larger had it not been for the favourable FRX, as the A\$ continues to weaken to mid 67 cents. In US\$ terms the market lost 18 cents to 938 cents. Medium micron fleece types (18.5 and coarser) were least affected with falls of 15 to 20 cents with finer types <18 giving up 25 to 45 cents. Skirtings fell by 10 to 20 cents with the higher VM and colour/cotty types 20 to 40 cheaper. Cardings barely moved as LKS/CRT lost 10 cents with the higher VM lots most affected as the MCI retreated by 5 cents to 913. Crossbreds lost similar ground to the carding sector, about 10 cents with one of our main XB buyers, Modiano, stepping up their purchasing to secure 16% of that sector. The pass-in rate again fell by 1.2% to 13% as despite the falling market, growers were willing to sell rather than pass-in wool and wait till wool sales resume in 3 weeks to reoffer their wool and risk selling into an uncertain market.

The fickle nature of the wool market is no more evident than over the past 6 weeks. The good run in June when the market was seemingly heading towards 1500 cents adding 60 cents to 1474 has stopped abruptly. Then, came the correction as volumes ballooned beyond buyer's capacity to absorb the extra wool, as the losses over the past 3 sales have added up to 86 cents. Even though the final figure this sale fell from 61,000 to 55,200 bales -10%- it proved a bridge too far for buyers to maintain last week's levels. This week's sale was the largest since March 2020 and combined with last series (48,900) the 104,100 total is the largest opening fortnight to a season in 18 years.

Competition was centered around Chinese interest with our largest trading house and two of the bigger top-makers from China coupled with indent buyers, commission top-makers and traders topping all sectors buying lists. Something that is unfortunately becoming more and more prevalent in society is scamming of money transactions. The wool industry is sadly not immune and there have been several cases of shearing invoices being intercepted and banking instructions corrupted. We WILL NOT ACT on email advice to change bank details unless followed up by a confirmation by phone. A highlight of our Carmichael & Co. catalogue was the price of 3136c/kg for a 15.2 micron LMS wool from Wellingrove Station, Glen Innes, that price was the 2nd highest from the 3 centres on Wednesday. The PCS from those LMS at 14.8 micron made an incredible 2920c/kg. Well done to those highly committed growers on presenting an outstanding wool clip to the trade. Wool sales recommence week beginning 8th August.

Southern Aurora Forward Prices

Micron	Date	Low
21	Aug 22	1400

Main Buyers (this week)

1	Techwool Trading	3772	2	Tianyu Wool	2932	3	Endeavour Wool	2679
4	Fox & Lillie	2252	5	Meliwa	1780	6	Australian Merino	1761

Eastern Market Indicators (AUD cents/kg clean)
1388 cents ↓ 19 cents compared with 08/07/2022

Northern Market Indicators (AUD cents/kg clean)
1464 cents ↓ 19 cents compared with 08/07/2022

AUD/USD Currency Exchange
0.6757 ↓ 0.0039 compared with 08/07/2022