



# WEEKLY MARKET REPORT

Week Ending 01<sup>st</sup> July, 2022  
AWEX Northern Micron Indices Comparison



AWEX INDEX	This Week S52/21	This Week M52/21	Last Sale S51/21	Sydney Change	Last Year Sydney	Sydney Yearly Change
17	2698	2749	2732	-34	2623	+75
18	2131	2247	2211	-80	2203	+72
19	1747	1762	1821	-74	1820	+73
20	1494	1494	1570	-76	1510	-16
21	1442	1451	1486	-44	1380n	+62
26	-	691	-	-	-	-
28	408	423	-	-	509n	-101
MC	929	925	946	-17	978n	-49

## SEASON ENDS WITH A WHIMPER

The final sale of the season was nothing to crow about as a few factors combined to have the market taper off by 44 cents to finish the season at 1430, just 7 cents higher than the same sale last year. The bullish run that the market had over the past 3 sales (60 cents) was all but wiped out. There was a sudden spike in volumes on either side of the 30<sup>th</sup> of June as the financial year starts and finishes and a fire at one of the larger mills in China, prevented them from buying this week. These looked to be the main reasons why the market cheapened up as no sector was immune from the negative sentiment. The worst hit microns were 17.5 to 19 and 20s which lost 75 to 115 cents, 19.5 and 21s fell by 45 to 60 cents with the super-fine types <17 giving back 10 to 35 cents. Skirtings that were of good quality and free from heavy VM, colour and cott fell by 10/20 cents with all others with faults came back by 40 to 50 cents. Cardings lost about 20 cents with the better style types less affected. The 3 centres MCIs are aligned closely with 20 cents separating them, 929 to 910. The XB sector looked to be the least affected as most buyers quoted them as unchanged on a limited offering. The passed-in rate almost doubled to 20% as the market fell more than what was predicted pre-sale. The loss in US\$ terms was almost as large, a 34 cent decline to 987 as the FRX barley moved all week to hover just above 69 cents.

A successful season for woolgrowers?? On face value, almost identical finish to the start 12 months ago. The season high was last sale at 1474 and the low point was back in November last year at 1319. The FRX has fallen by 8% from 75 cents a year ago. The volume of wool put through the auction system was 7% higher than last year, 122,800 bales. The value of the clip rose significantly this past 12 months, not only due to the increased volume of wool sold but the overall value of merino types rising. The value of the clip sold was \$2.619 billion compared to \$2,246 last year, an increase \$372 million.

The larger volumes looked to have caught some traders and buyers out. This sale and the next 2 in July will see 140,000 bales on offer compared to the previous 3 sales in June that saw 96,200 bales offered. This let buyers ease their buying strategies and a cancellation of a vessel saw some buyers funds held up by 10 days or more than what was originally accounted for. Add the fire at a large processor in China and it was the perfect storm to see the market taper off, as buyers were able to pick and choose almost what they needed and the price paid. Next week sees the opening of the new season with a national catalogue of 52,100 bales and the following sale currently has 56,000 up for sale. This combined total of 108,000 bales to be sold. Buyers may struggle to find a home for this extra volume and the market could be off to shaky start to the new season unless some new business is forthcoming before the 3 week winter recess.

### Southern Aurora Forward Prices

Micron	Date	Low
21	Aug 22	1400

### Main Buyers (this week)

1	Techwool Trading	3886	2	Endeavour Wool	2570	3	Australian Merino	2411
4	Meliwa	2001	5	Fox & Lillie	1991	6	Tianyu Wool	1152

Eastern Market Indicators (AUD cents/kg clean)  
1430 cents ↓ 18 cents compared with 24/06/2022

Northern Market Indicators (AUD cents/kg clean)  
1509 cents ↓ 50 cents compared with 24/06/2022

AUD/USD Currency Exchange  
0.6905 ↓ 0.0023 compared with /06/2022