



WEEKLY MARKET REPORT

Week Ending 19th August 2022
AWEX Northern Micron Indices Comparison



AWEX INDEX	This Week S07/22	This Week M07/22	This Week S06/22	Sydney Change	Last Year Sydney	Sydney Yearly Change
17	2595	2668	2594	+1	2394	+201
18	2012	2097	2028	-16	2006	+6
19	1622	1628	1617	+5	1654	-32
20	1390	1402	1384	+6	1352	+38
21	1316	1320	1312	+4	1253n	+63
26	-	650n	-	-		-
28	380	395	380	0	480n	-100
MC	859	834	866	-7	880n	-21

DESPITE THE RUMOURS THE SHIP STEADIES

The week did not start well with rumours circulating in the media of a pullback from China across many commodities including wool. The Wool Industry Association (a collective association of all wool industry organisations) met on Monday to get to the source contacting both wool trading companies and government trade authorities, all of which knew or had heard of anything. We are not quite sure what the source was - one commentator thought there was something on WeChat and the media ran with it unverified!

With rumours put to bed the sales commenced and from the outset it looked as though the lower volumes were the key to stability and although there were some variances between micron, much of it based on selection, the stable trend continued all week. So stable in fact that it was the first sale to see the EMI record zero change since September 2017. The offering typically at this time of year is principally good topmaking types with a sprinkling of best style fine wool. Generally, as the season evolves these better types will increase and a lift would be anticipated for the better types. Supply year to date is running 11% higher than the same time last year, and the large, rostered offering for the last week certainly impacted last weeks prices. To put things in perspective though, we are still increasing production from a very low base. In fact, by the end of the drought in 2019 it was the lowest since federation at 280mkg greasy. Last season's production had risen to 318mkg which is still around 30mkg (approx. 170,000 bales) short of the rolling ten-year average prior to the drought. So larger offerings are inevitable and it comes down to how they are managed. From a buyer's perspective they would like to see a regular 35-40,000 bale average weekly offering, but sometimes that is hard to manage when you have three week recess's or after a major shift in price. Given we now have weekly sales right through to just before Xmas we shouldn't have any issues around a supply build up and I don't believe grower held stocks are anywhere near large enough to cast a shadow over weekly supply.

Next week the annual Wool Week events take place late in the week in Melbourne. This will see the wool trade associations all have their AGM's with an industry dinner to cap off with the presentation of the Young Woolbroker of the Year Award. We are very proud to see our Admin Team Leader Stephanie Frost as one of three finalists in this prestigious award which will be announced at the dinner. In the few short years that Stephanie has been with us during the challenging time of integrating Carmichael & Co not to mention handling deadlines through the Covid environment, Stephanie has done an amazing job under pressure almost learning and training others at the same time. We wish her every success for next Thursday night. The winner will attend next year's International Wool Textile Organisation annual conference to be held in Japan. Next week's offering is just over 40,000 bales in just Sydney and Melbourne with a further consolidation expected.

Southern Aurora Forward Prices

Micron	Date	Low
21	Aug 22	1320

Main Buyers (this week)

1	Techwool Trading	5789	2	Tianyu Wool	3705	3	Endeavour Wool	3661
4	Fox & Lillie	3420	5	Australian Merino	2645	6	Sequoia Materials	2625

Eastern Market Indicators (AUD cents/kg clean)
1342 cents → 0 cent compared with 12/08/2022

Northern Market Indicators (AUD cents/kg clean)
1415 cents ↓ 3 cents compared with 12/08/2022

AUD/USD Currency Exchange
0.6941 ↓ 0.0132 compared with 12/08/2022