



WEEKLY MARKET REPORT

Week Ending 2nd September 2022
AWEX Northern Micron Indices Comparison



| AWEX INDEX | This Week S09/22 | This Week M09/22 | Last Sale S08/22 | Sydney Change | Last Year Sydney | Sydney Yearly Change |
|------------|------------------|------------------|------------------|---------------|------------------|----------------------|
| 17 | 2608 | 2580 | 2597 | +11 | 2393 | +184 |
| 18 | 2009 | 2017 | 2021 | -12 | 2005 | +4 |
| 19 | 1622 | 1589 | 1624 | -2 | 1633 | -39 |
| 20 | 1403 | 1403 | 1392 | +11 | 1335 | +35 |
| 21 | - | 1316 | 1316 | - | 1233n | +53 |
| 26 | - | 669 | 636 | - | | -134 |
| 28 | 375 | 380 | 380 | -5 | 475n | -95 |
| MC | 859 | 832 | 868 | -9 | 863n | -5 |

MARKET SLIPS AS DEMAND AND SENTIMENT WANE

After a fortnight of relatively stable markets where the AWEX EMI failed to move a single cent, the market did trend downwards by 12 cents to 1330. The fall in US\$ terms was almost identical; a 12 cent drop to 915 with FRX having no influence on price direction as the A\$ barely moved trading at around 68.85 cents all week. Subdued competition and lackluster demand from our major customers were the main reasons for the market's negativity. Prices for fleece types ranged between 10 cents higher and 10 cents lower depending on quality and micron. The opening designated Super-fine sale of the season saw the Italians keen to buy some early season volume of these superior types and some premiums were as much as 250/300 cents greasy on the very best lots compared to similar lots. Skirtings held their ground rather well bar the poorer style types that faded by 15 to 25 cents. Cardings also drifted as the MCI lost 9 cents to 850 and XBs had an unchanged sale. The pass-in rate edged up slightly to 14.3%.

Local traders took a wait and see approach to buying this week as no positive signals were forth coming from overseas clients as indent buyers from Italy and China took up the slack, but not enough to prevent a falling market. China's big three 1st stage processors also took a quieter approach to their buying strategies, indicating a bit of negative sentiment at the moment, but were still active to a certain point. The start to the new season has been a frustrating one for sellers as the market has lost 100 cents (1430 to 1330), most of those 87 cents in Sale 1,2 and 6. Supply overload was a major factor to the price reduction before and immediately following the recess. In US\$ terms the falls have been about half of that, 50 cents. Global inflation rates look to be falling slightly, thus the need to keep lifting interest rates aggressively by Central Banks should wane as we move into the final quarter of the year. This in turn could boost consumer confidence and hopefully spending. A good indicator of how prices are tracking is the fuel price in the US, now below US\$4/gallon the cheapest since March. Harsh lockdowns in China are rarely heard of nowadays and the shipping and logistic delays have vastly improved since June. The market should be seeing more definite demand signals from China and Europe over the next 4/6 weeks as we move into the Autumn and Winter northern hemisphere season and colder weather arrives.

For our growers in the Cootamundra area don't forget the Wool Field Day this Tuesday 7th, September. You will need to RSVP TO Chris Drum 0457 073 371 or chris@ccwool.com.au if attending this informative day. Market should hold at these levels provided that some business is done over the weekend.

Southern Aurora Forward Prices

| Micron | Date | Low |
|--------|---------|------|
| 21 | Sept 22 | 1295 |

Main Buyers (this week)

| | | | | | | | | |
|---|------------------|------|---|----------------|------|---|-------------------|------|
| 1 | Techwool Trading | 4568 | 2 | Endeavour Wool | 3757 | 3 | PJ Morris Wool | 2416 |
| 4 | Meliwa | 2201 | 5 | Tianyu Wool | 2157 | 6 | Australian Merino | 2023 |

Eastern Market Indicators (AUD cents/kg clean)
1330 cents ↓ 12 cents compared with 26/08/2022

Northern Market Indicators (AUD cents/kg clean)
1416 cents ↓ 2 cents compared with 26/08/2022

AUD/USD Currency Exchange
0.6882 ↓ 0.0017 compared with 26/08/2022