



# WEEKLY MARKET REPORT

Week Ending 23<sup>rd</sup> September 2022  
AWEX Northern Micron Indices Comparison



AWEX INDEX	This Week S12/22	This Week M12/22	Last Sale S11/22	Sydney Change	Last Year Sydney	Sydney Yearly Change
17	2355	2348	2428	-73	2442	-87
18	1869	1868	1946	-77	2043	-174
19	1588	1599	1613	-25	1679	-91
20	1389	1402	1409	-20	1362	27
21	1301	1314	1332n	-31	1282n	19
26	-	642	-	-	-	-
28	345	347	363n	-18	442n	-97
MC	860	856	961	-1	902n	-42

## A\$ AT TWO-YEAR LOW IS OF NO HELP

The A\$ is at its lowest point for 2 years and Central Banks are being forced to hike interest rates due to global inflation rates still rising - denting consumer confidence and threatening to send countries into recession. These factors along with a war that could escalate to a level that has the world on edge are all weighing heavily on the market which has suffered its largest weekly fall since sales resumed after the winter break. The AWEX EMI gave up another 27 cents to 1279 with a similar fall in US\$ terms: a 26 cent reduction to 853 cents. Once again, fine fleece types (<18.5) micron took the brunt of the falls losing 50 to 90 cents with coarser types 10 to 30 cents cheaper. In the skirting sector, better types were quoted as fully firm with low spec types 5 to 15 cents down. The carding market was also pretty much unchanged and the sad story for XBs continued with losses from 20 to 55 cents (7 to 10%). The passed-in rate rose only marginally to 13.6% with some growers "taking the money and running" as the market cheapens up week by week, wanting to reduce risk of passing wool in and being forced to take a lower price later in Spring if the market continues to fall.

By the numbers, the market is in a slump. We are at the lowest point since March 2021 with the market in Sydney posting its seventh straight daily loss (the longest in almost 3 years), the last daily rise was on the 16<sup>th</sup> August with the EMI nearly 200 cents lower than the peak of 1474 in late June, the finer fleece wools (<18.5) have fallen 314 to 406 cents (11 to 16%) since that peak. Consumer confidence has fallen dramatically in the Northern Hemisphere as household disposable income is under pressure from rising living costs (inflation and interest rates) and a dramatic rise in energy costs as their winter approaches. With the run of good seasons since the drought, growers have been rebuilding their numbers. The latest production forecast is for the national wool cut to be 16mkg (86,000 bales) higher this season than the previous as growers have been able to retain surplus ewes to join thus an increase in numbers as lambing percentages increase.

Latest ram sales results: Trynow at Goolma sold 92% for a \$4,000 top and \$1,560 average; Roseville Park sold all 235 rams on offer to average \$4,345 with a \$28,000 top price. Lachlan at Forbes achieved top price of \$80,000 to average \$4,490 with only 4 rams passed-in from 180 while Tara Park at Boorowa cleared 92% to average \$4,030 and a top price of \$15,000. Wanganella/Poll Boonoke sold all but 4 of 235 offered to top at \$48,000 and average \$4,570. Calga Dohnes at Coonamble cleared 100% with a top of \$6,000 to average \$2,820 and Gullendah at Yeoval sold 100% to average \$3,160 and top at \$6,500. Hopefully less quantity next week (32,000 bales) can halt the sliding market.

### Southern Aurora Forward Prices

Micron	Date	Low
21	Oct 22	1295

### Main Buyers (this week)

1	Tianyu Wool	3881	2	Techwool Trading	3441	3	Endeavour Wool	3225
4	Sequoia Materials	2893	5	Fox & Lillie	2594	6	United Non-Mulesed	1258

Eastern Market Indicators (AUD cents/kg clean)  
1279 cents ↓ 27 cents compared with 16/09/2022

Northern Market Indicators (AUD cents/kg clean)  
1365 cents ↓ 23 cents compared with 16/09/2022

AUD/USD Currency Exchange  
0.6673 ↓ 0.0064 compared with 16/09/2022