



WEEKLY MARKET REPORT

Week Ending 27th January 2023
AWEX Northern Micron Indices Comparison



AWEX INDEX	This Week S30/22	This Week M30/22	Last Sale S29/22	Sydney Change	Last Year Sydney	Sydney Yearly Change
17	2307	2325	2292	+15	2540	-233
18	1995	2010	1978	+17	2143	-148
19	1680	1692	1685	-5	1725	-45
20	1517	1531	1519	-2	1442	+75
21	1420n	1444	1444n	-24	1373n	+47
26	-	598	555n	-	748n	-
28	328n	342	340	-12	422n	-94
MC	894n	872	890	+4	964n	-70

FRX PUTS MARKET UNDER PRESSURE BUT HOLDS WELL.

The market's "flatlining" movement continued this series as the AWEX EMI end result was just a 3 cent reduction to 1,338. The EMI has shuffled in a small, 11 cent price band since the New Year. Our usual intel thought the market would be "sideways" and it was exactly that. Volumes are slowly being reduced to weekly offerings that exporters are happy with (40,000 to 45,000 bales). Chinese New Year celebrations didn't seem to hinder the market, but the rising FRX could be a key factor if demand doesn't keep up. At a 5 month high of 71 cents, the A\$ is up by 2 cents since last week which really could have seen a sizeable reduction in the market if past history is any guide. Finer fleece microns: <17s, 18 and 19s were dearer by 10 to 20 cents with all others up to 10 cents off the pace. Buyers looked to be a bit more selective in securing what they wanted as the lots with the absolute correct specs in the 16 to 18 micron range made up to 300 cents better than similar lots with specs that fell outside the parameters. The skirting market seemed to split in two as good style types with low VM progressed by 10 to 20 cents while burrier types lost the same amount. The carding market also had up and down movements depending on style and VM to add 4 cents to 894. Crossbreds opened the sale on a dearer note only to lose these gains and a bit to finish 5 to 10 cheaper. The market in US\$ terms shot up by 24 cents to 950 due to the sharp rise in the FRX. The passed-in rate doubled to 13% due mainly to Fremantle only clearing 75% of their fleece and 80% of their oddment offering.

The FRX movements of 1.9% to 3.1% depending on cross rates for the 3 big currencies (US\$, CNY and ERU) was the reason for the market's sideways movement. The Lunar New Year celebrations that are so important to the Chinese didn't hinder the market, even if the volume of new business written was subdued, there were enough outstanding, unfilled orders to see the market through. Exporters are quite buoyant at the moment following on from the pre Xmas rally that has consolidated in January. Good demand and a firm market are a scenario not seen for some time with many at the early exchange of ownership quite bullish for the wool market's fortunes going forward. Most workers will start to return to work from this weekend in China, some visiting their home provinces for the 1st time since the pandemic outbreak with some degree of workforce changes occurring in many factories, wool included. The usual players dominated the market, as a willingness to put the market under pressure came from the FRX shifts. The next few weeks and the FRX rate will hold the key to where the market goes in the short term.

Southern Aurora Forward Prices

Micron	Date	Low
21	Feb 23	1400

Main Buyers (this week)

1	Techwool Trading	5402	2	Endeavour Wool	4239	3	Tianyu Wool	3470
4	Pelican Australia	2580	5	Fox & Lillie	2322	6	PJ Morris Wools	2282

Eastern Market Indicators (AUD cents/kg clean)
1338 cents ↓ 3 cents compared with 20/01/2023

Northern Market Indicators (AUD cents/kg clean)
1411 cents ↓ 4 cents compared with 20/01/2023

AUD/USD Currency Exchange
0.0071 ↑ 0.0195 compared with 20/01/2023