



WEEKLY MARKET REPORT

Week Ending 17th March 2023
AWEX Northern Micron Indices Comparison



AWEX INDEX	This Week S37/22	This Week M37/22	Last Sale S36/22	Sydney Change	Last Year Sydney	Sydney Yearly Change
17	2262	2318	2358	-96	2652	-390
18	1972	1937	2033	-61	2120	-148
19	1676	1626	1698	-22	1703	-27
20	1490n	1468	1535n	-45	1427	+63
21	-	1411	-	-	1324n	+87
26	-	568	530n	-	689n	-
28	340n	357	357n	-17	401n	-61
MC	878n	910	900n	-22	977n	-99

TIME FLIES WHEN YOU'RE HAVING FUN

Our sale on Wednesday this week marked 35 years since our first sale on 15/03/1988 (then Lanoc Wool). That catalogue of barely 100 bales saw Lot 1 acc A.J. Knight of Berrumbuckle, Coonabarabran sell for 1450 cents to C.Itoh, Japan. It was 20.2 micron and would be worth around 1105 cents today. The wool market then was almost at the end of its remarkable run which saw the peak in mid April, and as they say... "the rest is history!" The Berrumbuckle clip will be offered in our catalogue next week for the 36th time!

That catalogue also contained wool from Bellevue at Tottenham of which that clip was sold a few weeks back and coincidentally we had a visit to the woolstore today from Steve McCarthy (ex Tottenham) who lives in WA. Steve was Lanoc Wool's first employee and had a good tour of the woolstore commenting on the speed of the core line in action and the amount of wool in store. It was good cause for reflection and remembering in 1988 we thought the fax was amazing (at a cost of \$4,000!), no mobile phones and no internet. The first sale catalogue was hand typed off the hard copy test certificate which is framed in our office today.

Back to reality, and we came down with a thud this week as the currency which shielded us last week from the pressure, moved against us and saw a retreat from the start of the first day of selling. This was most notable at the finer end as 17 microns fell 99 cents. The 31 cents fall in the EMI was the largest drop since August. Conditions improved slightly on the second day but not enough really to give us confidence that a rebound is around the corner. It seems the covid induced blockages in the supply chain we saw last year and the year before are back. Exporters are saying they are waiting up to a month to get space at the dumps and locally we have a backlog of wool to be delivered as a shortage of truck drivers takes its toll. So, it's not just shearing, the labour shortage is across most industries. The lag in delivery times creates great pressure on buyers' cash flow as their access to letters of credit backed finance is dependent on export documentation. So, if the turnaround from purchase to export stretches by an extra two weeks that causes problems. Added to this is the extra quantity that is coming forward and extra volumes that appear quickly when the market jumps like it did in January tell overseas mills no need to panic buy.

With a market that saw falls across all categories it was hard to see which types fared better than others. But we can be confident that "off types" whether they be coloured, burry or poor length and strength results bore the worst of demand. The more recent premiums for NM and certified RWS clips was not as evident particularly if they contained some of the above faults.

Next week just over 46,274 bales will be offered and we really need some better news on the logistics front.

Southern Aurora Forward Prices

Micron	Date	Low
21	June 23	1450

Main Buyers (this week)

1	Techwool Trading	5723	2	Tianyu Wool	5201	3	Endeavour Wool	3780
4	Australian Merino	2612	5	United Wool	2288	6	Fox & Lillie	1996

Eastern Market Indicators (AUD cents/kg clean)
1408 cents ↓ 5 cents compared with 10/03/2023

Northern Market Indicators (AUD cents/kg clean)
1499 cents ↓ 11 cents compared with 10/03/2023

AUD/USD Currency Exchange
0.7315 ↓ 0.0003 compared with 10/03/2023