



WEEKLY MARKET REPORT

Week Ending 24th March 2023
AWEX Northern Micron Indices Comparison



AWEX INDEX	This Week S38/22	This Week M38/22	Last Sale S37/22	Sydney Change	Last Year Sydney	Sydney Yearly Change
17	2242	2215	2262	-20	2627	-385
18	1950	1928	1972	-22	2087	-137
19	1656	1641	1676	-20	1668	-12
20	1490n	1523	1490n	0	1386	+104
21	-	1434	-	-	1282n	-
26	520n	572n	-	-	676n	-156
28	-	352	340n	-	394n	-
MC	865n	888	878n	-13	953n	-88

RISING DOLLAR MASKS RECOVERY

The wool market this week thankfully saw a halt to the previous week's considerable decline and only for a 1.6% rise in the exchange rate we would have seen some reasonable gains.

It was the "bread and butter" types in 19-21 micron range that saw some firming and stability, this was particularly evident in the Fremantle market where these were around 25 cents dearer for the week. The finer section of the offering, particularly in the Sydney offering contained a large proportion of hard to place lots with either higher VM, colour or difficult length and strength results resulting in erratic competition. Skirtings and oddments saw solid competition across the week but little improvement in the crossbred sector, where one Chinese buyer dominated purchasing 27.5% of the offering in that category. Overall, Chinese buyers dominated with the top four buyers for China purchasing 50% of the merino fleece offering. The offering of 40,224 bales was nearly 4,000 less than last week and saw 8% passed in. Year to date the offering is a mere 11,861 bales more than last year.

The logistical issues at dumps and ports seem to be improving or at least forecast to be on the mend which will instil needed confidence. Melbourne is the hub which needs more capacity after a small operator closed last year and we believe one of the other major dumps has plans to increase capacity.

As we have mentioned recently India is a processing sector which has increased to capacity of late. Traditionally better known for its cotton processing, wool has never quite become entrenched as a major player in their very substantial textile sector. But the three early stage mills there are running at full capacity and this week a delegation of the Australian industry was in India looking to establish an India-Australia Working Group similar to the very successful China-Australia Working Group which has operated for many years. These groups are formed to allow representatives from both country's industry sectors to sit down and establish good lines of communication and discuss issues that arise from time to time.

Globally, and particularly European corporations and brands are looking at the carbon footprint of their supply chain as the carbon costs of their business's become focal. India is one destination that will benefit from this shift as brands look to streamline the supply chain in the most carbon neutral manner.

Rabobank held their Farm to Fork summit in Sydney yesterday with around 1,600 farmers from Australia and New Zealand. No prizes for guessing what was top of the agenda. Sustainability, collaboration and the circular economy all leading to net carbon zero emissions was the very emphatic theme.

Next week a larger offering of 49,500 bales will be offered in three centres.

Southern Aurora Forward Prices

Micron	Date	Low
21	July 23	1450

Main Buyers (this week)

1	Techwool Trading	5091	2	Tianyu Wool	3797	3	Endeavour Wool	3637
4	Fox & Lillie	3062	5	Pelican Australia	2584	6	PJ Morris Wools	2064

Eastern Market Indicators (AUD cents/kg clean)
1318 cents ↑ 1 cent compared with 17/03/2023

Northern Market Indicators (AUD cents/kg clean)
1392 cents ↓ 7 cents compared with 17/03/2023

AUD/USD Currency Exchange
0.6738 ↑ 0.0103 compared with 17/03/2023