



# WEEKLY MARKET REPORT



Week Ending 21st April 2023

AWEX Northern Micron Indices Comparison

AWEX INDEX	This Week S42/22	This Week M42/22	Last Sale S40/22	Sydney Change	Last Year Sydney	Sydney Yearly Change
17	2222	2169	2233	+25	2613	-391
18	1863	1836	1933	-32	2085	-222
19	1615	1632	1656	-9	1673	-58
20	1455n	1485	1515	-27	1368	87
21	-	1431	1431n	-	1287n	-
26	-	554	515n	-	644n	-
28	323n	335	330n	-7	388n	-65
MC	838n	844	859n	-6	931n	-93

## WE'LL TAKE IT

Predictions of 60,000 bales had many nervous about how the market may open after the brief Easter recess, us included. Selling on the second day suited us as we had a good handle on things for our day of sale. It was remarkably stable with only comparatively minor movements over the two days and a level of optimism emerging as the week progressed. This was particularly evident in the west as the low VM offering suited buyers. On the subject of vegetable matter, it certainly is a factor holding prices back, but we have known for some time that a lot of VM was coming our way after the consecutive wet winters. Much of the wool with high VM (ie. 4% - 7% in fleece lines) has really good length and strength results which give reasonable CVH (coefficient of variation of hauteur) results. It's the part tender, high mid break lines that are being heavily discounted and weighing on the average.

On the face of it there isn't too much to get excited about with the market position. It's at its lowest point since December, it is 78 cents below this time last year and the currency is 5.7% lower which makes it even cheaper in USD! The post covid honeymoon is over with shoppers largely in the northern hemisphere markets but the covid hangover hasn't finished for the pipeline logistics. We are all very aware of lag times in many supply chains, six months is the norm and many items are out to 12 months. The wool pipeline is no different and we are still being dogged by blockages and holdups. There is a bright strong light at the end of the tunnel and it isn't the train! China and the rest of Asia are re-joining the world economy and the signals are good. The IWTO wool conference is on in Japan in a few weeks' time and Don is keen to see what the world traders and processors have to say on the next 12 months.

It's worth noting that the world's richest person is no longer a Silicon Valley tech head but the head of a French fashion company. Bernard Arnault is the head of LVMH (Louis Vuitton Moet Hennessy) and estimated to be worth just shy of USD 200 billion. LVMH has a stable of high-end fashion labels like Dior and Louis Vuitton as its core business. Wool is positioned well to be a part of the luxury boom and the next level down also loves wool, which is where we want to be, in that luxury and premium sector.

Next week the two-day sale will see close to 45,000 bales being offered, with hopefully a slight positive tone to it.

### Southern Aurora Forward Prices

Micron	Date	Low
21	July 23	1450

### Main Buyers (this week)

1	Techwool Trading	6753	2	Endeavour Wool	5081	3	Tianyu Wool	4175
4	PJ Morris Wools	2987	5	Meliwa	2308	6	Fox & Lillie	2075

Eastern Market Indicators (AUD cents/kg clean)  
1289 cents ↓ 11 cents compared with 14/04/2023

Northern Market Indicators (AUD cents/kg clean)  
1354 cents ↓ 16 cents compared with 14/04/2023

AUD/USD Currency Exchange  
0.6702 ↓ 0.0051 compared with 14/04/2023