



# WEEKLY MARKET REPORT

Week Ending 12<sup>th</sup> May 2023

AWEX Northern Micron Indices Comparison



AWEX INDEX	This Week S45/22	This Week M45/22	Last Sale S44/22	Sydney Change	Last Year Sydney	Sydney Yearly Change
17	2192n	2196	2220	-28	2683	-491
18	1853	1845	1867	-14	2178	-325
19	1631	1596	1651	-20	1737	-106
20	1515n	1469	1521	-6	1443n	+72
21	-	1442	-	-	-	-
26	-	550	-	-	-	-
28	-	335	337n	-	408n	-
MC	781n	804	821n	-40	982n	-201

## A CHANGE IN THE DOLLAR MAKES THE IMPACT

Last week's finish to the wool market had lulled us into a comfortable spot heading into the opening day on Tuesday, with a stronger Australian dollar having a dramatic effect on the Australian wool market. Our currency was almost 1 cent stronger since the close last Wednesday, which saw direct downward pressure on auction prices in AUD. The softening wasn't immediate in the sale rooms, and by the end of the first day the Northern Indicators had only come back in single digits. This was enough to send a signal to the West which saw their market open weakly, leaving their indicator back 40 cents. The second day saw the market retreat even further, with the EMI closing at 1284, back 26 cents. In US terms, the market was actually 10 cents US dearer on the first selling day but ended 6 cents cheaper by the close of business for the week.

Buyers are continuing to find it difficult to meet traditional specifications for wools delivered at 1% average. Not only are they contending with a seasonal delivered higher VM average, but so many lots offered around the country are now over 100mm. This has been an issue since Spring last year, particularly in the South, but we are seeing more clips in the North now in the same boat. Our catalogue this week had many lots facing this predicament, which meant bigger discounts were applied. Clips being shorn now are showing the same characteristics, so it could be a while before the length discounts reduce to more normal levels.

The first International Wool Textile Conference in four years is being held next week in Kyoto, Japan. The conference brings together wool industry representatives from wool growers globally through to weavers and knitters. Normally an annual event, it is an opportunity to listen to all sectors present the state of play in their respective sectors and gather new information on trends and forecasts. Yesterday, Don spent the day with the Tokyo Woolmark Team which is responsible for Japan and Korea marketing operations. With a combined population of nearly 180,000 million the two countries are serious consumers of wool. Japan has the highest per capita consumption of wool in the world and one of the highest life expectancies with over 30% of the population above age 65 and growing. Internationally, AWI trades as The Woolmark Company with a small but dedicated team doing some great work on tight budgets. A tour of the luxury retail sector was impressive but reminded us of the challenges wool faces fighting for market share among the plethora of fibres, the majority being man made.

### Southern Aurora Forward Prices

Micron	Date	Low
21	July 23	1450

### Main Buyers (this week)

1	Techwool Trading	5210	2	Endeavour Wool	3824	3	Tianyu Wool	3411
4	Australian Merino	2443	5	Fox and Lillie	1913	6	Sequoia Materials	1370

Eastern Market Indicators (AUD cents/kg clean)  
1284 cents ↓ 26 cents compared with 05/05/2023

Northern Market Indicators (AUD cents/kg clean)  
1347 cents ↓ 24 cents compared with 05/05/2023

AUD/USD Currency Exchange  
0.6758 ↑ 0.089 compared with 05/05/2023