



WEEKLY MARKET REPORT

Week Ending 19th May 2023

AWEX Northern Micron Indices Comparison



AWEX INDEX	This Week S46/22	This Week M46/22	Last Sale S45/22	Sydney Change	Last Year Sydney	Sydney Yearly Change
17	2150	2180	2192n	-42	2708	-558
18	1838	1830	1853	-15	2210	-372
19	1596	1571	1631	-35	1739	-143
20	-	1458	1515n	-	1443	-
21	-	1395	-	-	1347	-
26	-	555	-	-	-	-
28	335n	325	-	-	410	-75
MC	774n	786	781n	-7	1008	-234

GROWERS KEEN SELLERS IN A FALLING MARKET

For the second week running the Australian wool market has fallen with an offering of 42,492 bales. Growers were more willing for their offerings to be sold compared to last week with the passed in rate falling from 24.8% to 15.3%. All merino types were cheaper, however the Fremantle indicators had smaller falls and are now more in line with Sydney and Melbourne, which has not been the case over the last couple of weeks. Skirtings were well supported, having little change over the selling week but lots containing colour and cot were seeing discounts of around 100 cents. Cardings continued their downward run, ending up at their lowest level since October 2020. Crossbreds had a mixed result seeing the finer end dearer and the broader types cheaper.

When talking to buyers, they are finding the trading conditions quite difficult. Some of the indicators have fallen 60-80 cents clean over the last three weeks which normally would see some new business being written in reasonable quantities. This hasn't yet eventuated, and the business being done is still at skinny margins at best. With quantities in the upcoming sales looking very similar to the last month or so, it means that we could be looking at more of the same pricing strategy over the coming weeks.

The IWTO conference has continued this past week, with Don sending back some of the discussion points. There is reasonable sentiment from the Chinese particularly in the Merino sector, although we are waiting for them to fully recover from Covid lockdowns. Reports vary about stock levels along the supply chain, but we do know that several big mills in China are getting bigger which will squeeze margins and make life difficult for the smaller operators. Don attended the Aust/China Joint wool committee, and no signs of stress were found other than both Tianyu and Redsun hammering contamination.

Next week sees almost 46,000 bales on offer with Macwool and Carmichael & Co selling on Wednesday.

Southern Aurora Forward Prices

Micron	Date	Low
21	June 23	1375

Main Buyers (this week)

1	Techwool Trading	6785	2	Tianyu Wool	5045	3	Endeavour Wool	4106
4	PJ Morris Wool	2898	5	United Wool	2586	6	Sequoia Materials	2576

Eastern Market Indicators (AUD cents/kg clean)
1263 cents ↓ 21 cents compared with 12/05/2023

Northern Market Indicators (AUD cents/kg clean)
1329 cents ↓ 18 cents compared with 12/05/2023

AUD/USD Currency Exchange
0.6648 ↓ 0.0110 compared with 12/05/2023