



WEEKLY MARKET REPORT

Week Ending 26th May 2023

AWEX Northern Micron Indices Comparison



AWEX INDEX	This Week S47/22	This Week M47/22	Last Sale S46/22	Sydney Change	Last Year Sydney	Sydney Yearly Change
17	2058n	2063	2150	-92	2705	-647
18	1787	1725	1838	-51	2198	-411
19	1515	1527	1596	-81	1739	-224
20	1395n	1398	-	-	1430	-35
21	-	1364	-	-	1343n	-
26	-	542	-	-		-
28	310n	323	335n	-25	403	-93
MC	739n	761	774n	-35	1001	-262

BRUISING WEEK A TOUGH ONE TO SWALLOW

A smaller than predicted offering couldn't halt the falling market for a third week in a row. From the opening lot the sentiment was weaker, with enthusiasm waning as the sales progressed. Nationally the Merino indicators fell a bruising 31 to 117 cents clean, with fine wools coming under the most pressure. Skirtings were similarly affected, giving back between 40 and 60 cents, as were cardings, falling an average of 35 cents. Crossbreds were least affected, only depreciating 2 to 25 cents.

The lack of confidence and certainty from the buyers over the last few weeks was exposed during the two days of selling, which reflected the passed in rate of 27.3%. Exporters are unable to be given any direction in their trading, which gives us the market behaviour we witnessed this week. Chinas largest top maker took advantage of the situation and increased their weekly purchase percentage, showing they are willing to maintain their stock level in challenging times.

The 92nd International Wool Textile Organisation congress concluded last week with the Japanese processor Motohiro staging a gala dinner to celebrate their centenary. Some 500 local and international guests saw the best Japan could offer in entertainment and goodwill. Motohiro are a family owned company now in its fourth generation, and Australia's largest customer of non mulesed wool purchased through Schneider. Their wool is scoured and combed in their joint venture plant in China then spun and woven in their own plant in China also. Major customers of Motohiro are Uniqlo (now the largest knitwear retailer globally) and the retail giant Muji who have over 800 stores globally. Like Australia, much of the wool processing has moved from Japan to China for similar reasons to ours.

With 47000 bales on offer next week it will be interesting to see the withdrawn rate prior to sale. We sell on Tuesday.

Southern Aurora Forward Prices

Micron	Date	Low
21	June 23	1335

Main Buyers (this week)

1	Techwool Trading	4443	2	Tianyu Wool	3966	3	United Wool	2570
4	Endeavour	2453	5	Pelican Australia	1969	6	Fox and Lillie	1826

Eastern Market Indicators (AUD cents/kg clean)
1214 cents ↓ 49 cents compared with 19/05/2023

Northern Market Indicators (AUD cents/kg clean)
1273 cents ↓ 56 cents compared with 19/05/2023

AUD/USD Currency Exchange
0.6599 ↓ 0.0049 compared with 19/05/2023