



WEEKLY MARKET REPORT

Week Ending 9th June 2023
AWEX Northern Micron Indices Comparison



AWEX INDEX	This Week \$49/22	This Week M49/22	Last Sale \$48/22	Sydney Change	Last Year Sydney	Sydney Yearly Change
17	2067	2040	2067n	0	2736	-669
18	1780	1745	1787	-7	2232	-452
19	1524	1519	1525	-1	1757	-233
20	1393n	1401	1385n	+8	1459	-66
21	-	1335	-	-	1382	-
26	-	522n	-	-	-	-
28	300n	315	298n	+2	406	-106
MC	756n	735	732n	+24	943	-187

HAVE WE FOUND THE BOTTOM?

This week's market started out positively on the first day, with most indicators making gains for the day. The tone had been set from the previous week, where we saw Fremantle having gains of between 19 and 36 cents on the final day. Not only did we see gains in AUD\$, but in US currency we were 15 cents stronger. With the Reserve Bank's announcement of another increase in interest rates, our dollar strengthened, leading to softer prices on the second day of sales. Even though day 2 was cheaper, the EMI only lost 1 cent for the week and gained 22 cents in US terms.

Fremantle sales did not operate this week due to lack of quantity, which is normal for this time of year. This meant only 33,500 bales were offered in Sydney and Melbourne. Exporters continue to report that business is still quite good for volume into China and India, but price ideas are still quite challenging. This was made all the more difficult after the exchange rate moved which led to buyers reassessing their purchasing strategies.

The position the market finds itself in now compared to last year is quite different. When you consider that the quantity of wool offered this year is marginally greater than last season, the indicators are reflecting the world economic situation very clearly. Australia's interest rate rises have been going just over twelve months, but most Northern hemisphere countries started seeing increases earlier than that. Disposable income levels have reduced with cost-of-living pressure becoming far more front of mind, and energy costs affecting not only the consumer but also all participants in the wool pipeline. Shipping and handling issues are now under control, with wool movement far easier than last year meaning we have far more normality on the processing side. So, it seems like a bit of a balancing act for the processors at the moment. Let's hope export trading dominant companies continue to purchase at the same levels.

We are back to three selling centres again next week offering 45,000 bales nationally - we sell on Wednesday.

Southern Aurora Forward Prices

Micron	Date	Low
21	July 23	1330

Main Buyers (this week)

1	Techwool Trading	5252	2	Endeavour Wool	4485	3	Fox & Lillie	3008
4	Australian Merino	3008	5	Tianyu Wool	2128	6	Pelican Australia	1914

Eastern Market Indicators (AUD cents/kg clean)
1208 cents ↓ 1 cent compared with 02/06/2023

Northern Market Indicators (AUD cents/kg clean)
1276 cents ↑ 6 cents compared with 02/06/2023

AUD/USD Currency Exchange
0.668 ↑ 0.0185 compared with 02/06/2023