



WEEKLY MARKET REPORT

Week Ending 7th June 2023

AWEX Northern Micron Indices Comparison



AWEX INDEX	This Week S01/23	This Week M01/23	Last Sale S52/22	Sydney Change	Last Year Sydney	Sydney Yearly Change
17	1858	1895	1793	+65	2662	-804
18	1597	1621	1545	+52	1095	502
19	1462	1479	1412	+50	1698	-236
20	1359n	1375	1316n	+43	1456	-97
21	-	1309	-	-	1403	-
26	-	544n	-	-	-	-
28	310n	320	298n	+12	-	-
MC	752n	706	748n	+4	919	-167

At Last.... Signs of Life!

After eight consecutive weeks of losses (the longest downward run since 2003), the wool market roared back into life from the opening lot and held its momentum until the last bale was sold in Fremantle.

It was with great relief that the signs of levelling last week and commitment by large Chinese processors like Tianyu, were transformed into some very solid gains, most noticeable in the merino fleece categories. Our offering was first cab off the rank on day 1 and immediately it was clear we were in for a much better day than each of the previous weeks. Room one, which is the merino fleece section, was much more consistent in competition than the skirtings and crossbred room which still had potholes and some inconsistencies depending on VM type and content.

The size of the offering which was well down on previous seasons was certainly a factor this week as only a modest 36,000 bales were up for offer and accordingly the pass in rate was relatively low at 6.4%, mostly room two wools.

It was all China this week with European processors thinking more about summer vacation and one wonders if the Chinese central bank's decision last week to lower interest rates wasn't a cue to industry to mobilise and stimulate growth.

Whilst we are confident next week will be ok we aren't entirely convinced that it's all up from here. The three-week recess commencing after next week's sale will be appreciated by many traders as an opportunity to take stock and let the dust settle on a very difficult trading period. It is very hard to tell whether this is the beginning of a recovery. Our enquiries as to the question were very noncommittal and it will take a little more than one week to recharge the confidence tank.

Sales will recommence the week starting on the 7th of August, where we would expect around 50,000 bales to be offered.

Southern Aurora Forward Prices

Micron	Date	Low
21	September 23	1225

Main Buyers (this week)

1	Techwool Trading	5648	2	Tianyu Wool	4507	3	Endeavour Wool	4243
4	PJ Morris Wools	2776	5	Fox & Lillie	2668	6	Australian Merino	1891

Eastern Market Indicators (AUD cents/kg clean)
1162 cents ↑ 36 cents compared with 30/06/2023

Northern Market Indicators (AUD cents/kg clean)
1212 cents ↑ 38 cents compared with 30/06/2023

AUD/USD Currency Exchange
0.6685 ↑ 0.0042 compared with 30/06/2023