

AWEX Northern Micron Indices Comparison

AWEX INDEX	This Week S30/23	This Week M30/23	Last Sale S29/23	Sydney Change	Last Year Sydney	Sydney Yearly Change
17	1868	1832	1938	-24	2307	-439
18	1616	1638	1693	-26	1995	-379
19	1436	1439	1498	-35	1680	-244
20	1348n	1347	1394n	-14	1517	-169
21	-	1322	-	-	1420n	-
26	-	561	-	-	-	-
28	355n	362	345n	+5	328n	+27
MC	701n	715n	702n	-1	894n	-193

Lower Volumes Didn't Really Help

The 12,000 bales less on offer this week appeared not to have that much of a positive impact as the market continued to drift for the third straight week, most notably at the finer end. Latest test data for the year to date is showing production of wool finer than 18.5 micron about par with the 18.6 to 20.5 microns at close to 35% each market share. So, with a significant drop off of Italian buying (down 20.5% year on year) it is easy to see why fine wool prices are struggling. Conversely it is the 20 micron and broader sectors where production has eased where prices are holding well.

Most of the damage was done on the first day whereas competition firmed up on the second day and some buyers even complained of not enough wool! Merino skirtings followed similar trends to the fleece wool with the finer end noticing less demand. Crossbred wool held its ground and may have ended the week a touch firmer.

For all the talk over the past year or two about ABC (Anywhere But China) from supply chains, there doesn't yet seem to be any evidence that this is happening. The latest data is showing 84% of our clip China bound and India down 23% year on year similar to Italy. The big four mills in China are increasing their processing capacity and processing more superfine wool than previous. Red Sun now are around 80% of output of tops finer than 18.5 microns. There are all sorts of dire predictions about growth in China, or lack of it and our dependence on China particularly for wool and whilst it is a concern, so far there really is no evidence with wool to support high level concern.

In mid April this year the 93rd Annual International Wool Textile Organisation conference will be held in Adelaide at the Adelaide Oval. This is really the only wool event of a global nature to be held every year and hasn't been in Australia since Sydney 2016. This year growers can attend at a discounted rate of \$500 and listen, mingle, and meet global industry players from other wool producing countries and nearly all wool processing countries. Registrations will open on February 1 and there will only be limited spaces for growers at the discounted rates. We can highly recommend this as a very enjoyable tax deductible break in Adelaide.

Next week Macwool and Carmichael will offer a combined catalogue of 730 bales on Wednesday with 36,500 rostered for sale nationally.

We are calling on growers to donate wool, either oddments or a bale or two lower lines to be auctioned at one of our three special wool sales during the year. Your bale of oddments that might be worth \$400-\$500 could double that at the charity auction for such a cause, which is where Endeavour Wool Exports contribution will come from. Please visit www.macquariehomestay.com.au to view this amazing facility. We have already have around 6 bales pledged for the first sale which will be tested and held for the sale in late March.

Charity Sale Dates		
S39/23 – Week of 25 th Mar 2024	S03/24 – Week of 15 th Jul 2024	S24/24 – Week of 9 th Dec 2024

Southern Aurora Forward Prices

Micron	Date	Low
21	March 2024	1330

Main Buyers (this week)

1	Techwool Trading	4613	2	Endeavour Wool	3801	3	Tianyu Wool	3100
4	PJ Morris Wools	2967	5	Pelican Australia	2488	6	Fox & Lillie	2227

Eastern Market Indicators (AUD cents/kg clean)

1186 cents ↓ 10 cents compared with 19/01/2024

Northern Market Indicators (AUD cents/kg clean)

1239 cents ↓ 12 cents compared with 19/01/2024

AUD/USD Currency Exchange

0.6574 ↑ 0.0022 cents compared with 19/01/2024