

AWEX Northern Micron Indices Comparison

AWEX INDEX	This Week S33/23	This Week M33/23	Last Sale S32/23	Sydney Change	Last Year Sydney	Sydney Yearly Change
17	1762	1764	1804	-42	2338	-576
18	1558	1565	1598	-40	2003	-445
19	1405	1413	1414	-9	1712	-307
20	1342	1330	1328	+14	1563n	-221
21	-	1319	-	-	-	-
26	-	535	-	-	-	-
28	365	360	365n	0	347	+18
MC	702n	729	701n	+1	926n	-224

Chinese New Year or Not?

After seeing the market fall since the opening sale of the year, we may just be seeing some positive sentiment that was evident on the last day of selling in the south. There has been a fair bit of pain in getting to this point, particularly in the finer end. The 17 micron indicator has given back 208 cents over the six selling weeks, 18 micron - 129 cents, and 19 micron - 93 cents. Even 20 micron have come back 80 cents, whilst 21 micron has shed only 26 cents. Wednesday evening was where the sentiment started to change, with exporters being able to head into the Melbourne final selling day this week with good orders for types finer than 19 micron. All these wools are destined for Chinese processors, with sales into India continuing to be modest, and extremely thin going to Europe.

There is probably some degree of inevitability around the merits of holding sales during the main week of Chinese New Year, which began this week.

No country in history has seen wages growth in percentage terms like the Chinese over the past 20 years. And, just like other developed countries penalty rates for wages during holiday periods make it almost impossible for some businesses to operate during public holidays. There have been repeated requests by Chinese operators for around five years now to hold a one week recess for CNY. The brokers have agreed in the past pending a shortened July recess, but this hasn't been agreed to by buyers hence a stalemate for a recess now. Some Chinese mills made it known they wouldn't be buying this week, but others stepped in to take advantage of perhaps less competition. In the end the amount of wool purchased by Chinese mills was probably around par.

So, the issue hasn't gone away, but no doubt will be debated again, and if there was a one week recess granted, we would support it to ensure maximum competition from our largest buyer.

On a positive note, the waterfront dispute between DP World and wharfies was resolved and things are returning to normal for shippers notwithstanding the Suez Canal issues from Houthi terrorists for Euro bound wool!

The market desperately needs to make positive ground after the past six weeks, hopefully this will commence next week as the run to Easter traditionally offers some good selling opportunities.

Next week has a little over 44,000 bales rostered with Macdonald and Carmichael Wool offering on Wednesday.

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
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Southern Aurora Forward Prices

Micron	Date	Low
21	March 2024	1330

Main Buyers (this week)

1	Techwool Trading	4583	2	Endeavour Wool	3245	3	PJ Morris Wools	2411
4	Pelican Australia	2147	5	United Wool	1790	6	Tianyu Wool	1544

Eastern Market Indicators (AUD cents/kg clean)
1157 cents ↓ 6 cents compared with 09/02/2024

Northern Market Indicators (AUD cents/kg clean)
1202 cents ↓ 10 cents compared with 09/02/2024

AUD/USD Currency Exchange
0.6488 ↓ 0.0040 cents compared with 09/02/2024