



## WEEKLY MARKET REPORT

Week Ending 3<sup>rd</sup> September, 2021

AWEX Northern Micron Indices Comparison

AWEX INDEX	This Week S09/21	This Week M09/21	Last Sale S08/21	Sydney Change	Last Year Sydney	Sydney Yearly Change
17	2393	2425	2413	-20	1448n	+945
18	2005	2013	2017	-12	1249	+756
19	1633	1628	1663	-30	1085	+548
20	1335	1321	1357	-22	991	+344
21	1233n	1254	1263n	-30	976n	+257
26	-	771n	770n	-	645n	-
28	475n	481	475n	-	436n (M)	+39
MC	863n	887n	873n	-10	663n	+200

### MARKET GIVES BACK GAINS!!

The market's fortunes went in reverse this week as last series' gains were given back plus a bit as the AWEX EMI fell by 18 cents to 1332. The losses in US\$ terms amounted to just 4 cents stopping at 974 as the FRX gained traction against the A\$ to climb back through the 73 cent mark. The losses were very even across all microns with 15 to 30 cent falls from 16.5 to 22s. The superior superfine offering for the opening designated superfine sale of the season saw some healthy premiums paid - up to 175 to 200 cents clean for "Italian" types. Skirtings suffered similar falls to the fleece wools (15 to 30 cents). Heavy VM (> 5%) cardings and 17 to 18 micron LKS fell by 10 to 20 cents shaving 10 cents off the MCI to leave it at 863 cents. The crossbred sector was the least affected with 28 to 30 microns just in buyers' favour and the broader and finer types 5 to 10 cents dearer.

Even though the market fell, signs of a recovery on Wednesday gives hope that the market may firm up next week. Sydney and Fremantle had a solid to dearer tone in this week's final session and overnight enquiry should convert into sales if history is any guide. The market's sluggish start to the season - a 91 cent fall (6%) is still a long way in front of the levels 12 months ago. August 2020 saw the EMI collapse by 205 cents from 1134 down to 929 with the low point of the market being in sale 10 (1 year ago next week) when the EMI fell to 858 cents. This equates to a 64% gain in the market to today's level. The 17 micron indicator (Melbourne) is 1085 cents better - a massive 81% lift.

Top-makers and early stage processors continue to dominate buying lists with European interest's keener than their Chinese counterparts. As feed dries out and sheep start picking up more VM late into the Spring and early Summer we'll see if the current status quo remains when the higher VM wools come in and FNF fleece types dwindle. The cutoff point for VM discounts in fleece wools is about 2% at the moment, if and when this will change depends on when the heavier VM clips hit the market. Currently discounts for VM higher than 2% look to be way over the top.

Last week saw the National Ram sale held via the online platform AuctionsPlus. The annual event that is usually held in Dubbo was moved to Mudgee with the sheep show, stud displays and fleece judging cancelled due to Covid19. With interstate travel restrictions and lockdowns in place, some studs decided not to offer rams at the sale reducing the catalogue to only 32 rams. Overall, 21 rams were sold to a top of \$15,000 with an average of \$4,550. Nerstane from Walcha achieved the top price and the 3<sup>rd</sup> highest money (\$7,750). In a New England trifecta, Alfoxton from Armidale sold the 2<sup>nd</sup> highest price ram for \$10,500.

As we mentioned earlier, the market looks as though it will claw back this week's losses and the EMI could break back through the 1350 cent mark.

#### Southern Aurora Fwd Prices

Micron	Date	Low
21	Nov. 21	1260

#### Main Buyers (this week)

1	Techwool Trading	4657	2	Endeavour Wool	2979	3	Tianyu Wool	2606
4	Fox & Lillie	2171	5	PJ Morris Wool	1510	6	Australian Merino	822

Eastern Market Indicators (AUD cents/kg clean)  
1332 cents ↓ 18 cents compared with 27/08/2021

Northern Market Indicators (AUD cents/kg clean)  
1417cents ↓ 16 cents compared with 27/08/2021

AUD/USD Currency Exchange  
0.7312 ↑ 0.007 compared with 27/08/2021