



WEEKLY MARKET REPORT

Week Ending 20th August, 2021

AWEX Northern Micron Indices Comparison

AWEX INDEX	This Week S07/21	This Week M07/21	Last Sale S06/21	Sydney Change	Last Year Sydney	Sydney Yearly Change
17	2394	2354n	2425	-60	1499	-895
18	2006	1967	2039	-33	1284	+722
19	1654	1655	1698	-44	1143	+511
20	1352	1358	1377	-25	1100	+252
21	1253n	1240	1303n	-50	1086n	+167
26	-	765n	780n	-	788n (M)	-23 (M)
28	480n	478	500n	-20	523n	-43
MC	880n	910n	903n	-23	651n	+229

A COVID-19 CRASH? NOT LIKELY!!

After last week's big fall and high withdrawal figures for this series, hopes were high that the reduced volume would be a catalyst to steady the market. This sale was at one point rostered for 46,000 bales, then fell to 38,000 on Monday. By weeks' end only 34,400 bales were offered with 28% passed-in and 15% withdrawn meaning only 24,600 bales actually sold to the trade. Fremantle held its sale over just 1 day as only 4000 bales were on offer - 58% passed-in and 7% were withdrawn to have only 1,700 bales sold. This being the lowest weekly "sold" figure of any selling centre since AWEX records began in 1997. Tuesday's market opened on a much cheaper note to follow on from last sales' poor performance but signaled some hope as it showed some resilience to level out on Wednesday. Again, 25 to 60 cent losses were across the board for all merino fleece microns. Skirtings fared just as badly as their fleece counterparts with losses ranging from 40 to 70 cents. Cardings also suffered heavy losses with all types in this sector giving back another 20 to 50 cents bar < 18.5 micron LKS which finished just in buyers' favour. For the 2nd sale in a row the crossbred sector looked to be the least affected with falls confined to 10 to 20 cents. The EMI fell by another 37 cents to 1335 - that's 93 cents for the 2 sales since selling resumed. In US\$ terms the 41 cent fall saw the indicator drop below 1000 cents to 970 as the 1 cent fall to 72.60 in the FRX wasn't enough to stop the market falling. The A\$ is well below 72 cents today - a 9 month low.

The enticement of cheaper prices at the end of last week failed to draw any new business from any of the major mills in China which resulted in the ongoing price reduction on the opening day. The ongoing container terminal closure in China and the latest Covid-19 reduced demand hiccup conspired to keep confidence low in the initial session with some smatterings of business stabilising the market on Wednesday. Italian interests were highlighted this week as one of their major companies purchased heavily. After just 4 sales this season this buyer has bought 39% of what they secured at auction all last season. He purchased a big volume of superior superfine wools in the Carmichael section of our catalogue from Mudgee and the New England at good premiums (up to 180 cents clean) above market rates. We also had a big run of excellent XBs in the Carmichael section which sold well. The good premiums (5-10%) that RWS certified wools are getting is also worth noting.

The Australian wool production forecasting committee has predicted shorn wool production is expected to rise by 5.2% (up to 310mkg) when compared to last season. This is up by 26mkg from just 2 years ago due to excellent seasonal conditions coming out of the drought and good lambings over the past 2 seasons.

In more Covid-19 news, as we know all businesses must have QR codes - this is a requirement for shearing sheds as well. Some sheds in southern NSW were inspected with fines and infringement notices issued for non-compliance. Growers are reminded to ensure that QR codes are available for use or a sign-in register is to be provided for all farm workers.

Market should be firm next week.

Southern Aurora Fwd Prices

Micron	Date	Low
21	Nov. 21	1240

Main Buyers (this week)

1	Techwool Trading	2851	2	Fox & Lillie	2420	3	Tianyu Wool	2307
4	Endeavour Wool	1925	5	Australian Merino	1484	6	PJ Morris Wool	948

Eastern Market Indicators (AUD cents/kg clean)
1335 cents ↓ 37 cents compared with 13/08/2021

Northern Market Indicators (AUD cents/kg clean)
1428 cents ↓ 35 cents compared with 13/08/2021

AUD/USD Currency Exchange
0.7264 ↓ 0.01 compared with 13/08/2021