

WEEKLY MARKET REPORT

Week Ending 26th November, 2021
AWEX Northern Micron Indices Comparison

AWEX INDEX	This Week S21/21	This Week M21/21	Last Sale S20/21	Sydney Change	Last Year Sydney	Sydney Yearly Change
17	2399	2368n	2370	+29	1806	+593
18	2003	2000	1980	+23	1570	+433
19	1662	1657	1633	+29	1386	+276
20	1366	1366	1365	+1	1229	+137
21	1308n	1310	1298n	+10	1188n	+120
26	740n	-	-	-	798n	-58
28	408n	408	407n	+1	559n	-151
MC	874n	903n	862n	+12	704n	+170

CONSECUTIVE RISES! WHAT'S GOING ON?!!

The wool market did something different this week, it consolidated last series' gains with double digit lifts for all merino sectors. The 14 week pattern of up and down was finally broken with the back-to-back rises that we haven't seen since mid June but not before the cheaper trend seemingly looked in play with the opening session's falls. This fall and the favourable FRX rate dipping to an 8 week low of 71.90 cents was the impetus to write fresh business on Tuesday night with an immediate positive reaction on the final selling day. By week's end the AWEX EMI posted a 17 cent rise to 1341 (the highest point for 3 weeks) and a 5 cent lift in US\$ terms to 967. All microns lifted to the tune of 10 to 40 cents bar 20s that managed just a 1 cent gain. Low VM (<3%) skirtings added 10 to 20 cents to their previous quotes while STN/CRT posted 15 to 20 cent gains. Crossbreds had a quiet sale with most types in this sector firm/unchanged. The passed in rate dipped slightly to 7.5% as the A\$ fell by 1% over the week.

China's largest top-maker led the last day recovery as traders remained cautious with indent orders and fresh inquiry from manufacturers forcing the market to improve. The erratic nature of the market recently has increased direct and indent buying making it difficult for mills to extract consistent business and convert this to profitable sales further down the pipeline. The fickle nature of retail since Covid-19 has led to uncertainty from the manufacturers through to retail leading to a lot of just-in-time delivery of wool.

One highlight of wool sales at the moment is the premiums for NM wool that is sold under the RWS (Responsible Wool Standard). These wools are attracting 15 to 20% premiums and more on selected lots with medium (19 to 21s) micron with up to 3% VM outdoing the lower VM/micron types (their premiums about 10%). NM wool not in the RWS system are only up to 5% above all other Mulesed/AA lots.

Buyers have voiced their concerns regarding lack of volume in December due to the wet weather. Volume will be affected, but not drastically, whether this puts pressure on the market over the final 3 sales of the year is anyone's guess. Black Friday sales may help in the short term.

Southern Aurora Fwd prices

Micron	Date	Low
21	Jan. 22	1300

Main Buyers (this week)

1	Techwool Trading	5555	2	Tianyu Wool	4173	3	Endeavour Wool	3249
4	PJ Morris Wools	2620	5	Fox & Lillie	2430	6	Australian Merino	1057

Eastern Market Indicators (AUD cents/kg clean)
1341 cents ↑ 17 cents compared with 19/11/2021

Northern Market Indicators (AUD cents/kg clean)
1421 cents ↑ 14 cents compared with 19/11/2021

AUD/USD Currency Exchange
0.7214 ↓ 0.0055 compared with 19/11/2021