



# WEEKLY MARKET REPORT

Week Ending 21<sup>st</sup> January, 2022  
 AWEX Northern Micron Indices Comparison



AWEX INDEX	This Week S29/21	This Week M29/21	Last Sale S28/21	Sydney Change	Last Year Sydney	Sydney Yearly Change
17	2495	2535n	2465	+30	1907	+588
18	2110	2134	2080	+30	1592	+518
19	1712	1710	1700	+12	1389	+323
20	1427	1422	1408	+19	1246	+181
21	1359n	1346	1340n	+19	1180	+179
26	-	722n	759	-	721n	-
28	415n	415	420	-5	460n	-45
MC	928n	949	917	+11	789n	+139

## 1400 CENTS - SO CLOSE!!

The market's dearer trend from the opening sale of the year kept going in the 1<sup>st</sup> session of this week's sale but came to an abrupt halt as minor losses were recorded throughout the rest of the sale. The seemingly psychological barrier of 1400 cents finally looked within reach as the EMI got to 1396 cents on Tuesday. By week's end the pullback in prices had the AWEX EMI add just 3 cents to its value (1392) due mainly to cheaper XB and >19 micron FLC types falling in Melbourne (by 10 to 20). In Sydney, despite the final day's hiccup, merino fleece prices finished well in front of the previous sale with 18.5 and coarser adding 10 to 25 cents while 18s and finer gained 30 to 65 cents. Skirtings had a profitable sale as low VM (<3%) lots with good AM specs posted rises of 20 to 40 cents with all others fully firm. Cardings again got dearer with finer LKS (<19.5 micron) leading the charge with 40 to 60 cent advancements as all other types in this sector sat rock solid. The XB sector had a negative sale to wipe out last week's gains with losses of 20 to 30 cents. A few buyers were stating that the demand is sporadic at best and the year ahead could be very tough to see any price rises - significant or small. The FRX fall by 0.50% to 72.30 saw the market in US\$ terms slip by 5 cents to 1006. The pass-in rate snuck up to 10.5%.

The 1400 cent mark is proving to be a stumbling block that the market just can't seem to go beyond. This is the highest point the market has been since early July when the market spent the previous 4 weeks between 1420 and 1468. From that point to December the market had spent most of the time in the low to mid 1300s peaking above 1350 for only 7 sales. Disappointing when many thought the market would be well over the 1400 cent mark and be able to stay there. Local exporters dominated buying lists with Australia's largest exporter securing 26% of the merino FLC and SKT that were sold. Chinese topmakers and indent orders were more active in the merino fleece sector as traders and topmakers competed for merino skirtings. A Chinese indent buyer stepped in but was not pushed to hold the market at previous levels as the European dominance in the XB sector waned - this leading to the price fall. The Wool Production Forecasting Committee has upped its estimate of production to 318M kg, an 8% increase this season. This equates to a 6.6% lift in each state - 3.2% more wool/sheep to average 4.54kg as the number of sheep to be shorn jumps to 70 million (up by 4.6%).

### Southern Aurora Forward Prices

Micron	Date	Low
21	Jan. 22	1224

### Main Buyers (this week)

1	Techwool Trading	8821	2	Endeavour Wool	4085	3	Tianyu Wool	2434
4	Australian Merino	2287	5	PJ Morris Wool	2093	6	Fox & Lillie	1797

Eastern Market Indicators (AUD cents/kg clean)  
 1392 cents ↑ 3 cents compared with 14/01/2022

Northern Market Indicators (AUD cents/kg clean)  
 1481 cents ↑ 16 cents compared with 14/01/2022

AUD/USD Currency Exchange  
 0.7229 ↓ 0.0052 compared with 14/01/2022