



# WEEKLY MARKET REPORT

Week Ending 11<sup>th</sup> February, 2022  
AWEX Northern Micron Indices Comparison



AWEX INDEX	This Week S32/21	This Week M32/21	Last Sale S31/21	Sydney Change	Last Year Sydney	Sydney Yearly Change
17	2618	2649	2638	-20	2123	+495
18	2152	2168	2197	-45	1780	+372
19	1711	1721	1766	-55	1532	+179
20	1439	1440	1487	-48	1346	+93
21	1360n	1361	1402n	-42	1243n	+117
26	748n	720n	772n	-24	795n	-47
28	418n	423	435n	-17	555n	-137
MC	1011n	998	1008n	+3	898n	+113

## 1500 - A BRIDGE TOO FAR??

The opening designated Superfine sale of the year didn't quiet deliver the result that growers wanted. The market took a breather after the 130 cent lift over 8 of the past 9 selling weeks starting back in mid-November. Many superfine growers were banking on a good market and had held wool over to this sale but only the odd "Superior" type was immune to the falling market. After last series' good rises (EMI rose by 42 cents) some buyers suspected that the market might've peaked for the moment. Most pointed to logistical factors such as port congestion and land based freight problems causing shipping delays of up to 4 weeks. This delay places pressure on buyer's finances as most overseas payments to local buyers are by "irrevocable letters of credit" which are executed to the bill of lading date (when the container of wool is delivered to the mill). This leaves buyers waiting longer for payment and can prevent them fully participating at the auctions as the prompt payment of auction purchased wool is 9 to 10 days. The larger volumes of wool on offer are also a hinderance to prices rising. A smaller number of exporters are trading wool with one significant global player not operating this year compared to 12 months ago.

The AWEX EMI fell by 27 cents to 1422 and in US\$ terms a 13 cent reduction to 1019 was the result as the FRX moved slightly higher to 71.65 cents. Medium to broad types took the brunt of the falls (35 to 55 cents for 17.5 to 22 micron). Finer types lost just 15 to 20 cents with the very best fleece lots fully firm. The highest price was 6600 cents for a 13.0 micron lot in Melbourne and 5700 cents in Sydney for a 13.3 micron lot. There was very little movement in the skirting sector with >17.5 micron types giving back 10 to 20 cents. Cardings actually finished in the positive as the MCI added 3 cents to 1011 as LKS finer than 17.5 were 10 to 20 dearer. Crossbreds fell by 15 to 40 cents as the pass-in rate climbed by 10% to 17%. Even though demand is still buoyant, there can and will be outside influences that affect the market for an extended period going forward (finances, logistics and the lingering effect of Covid-19). The market is 147 cents (11.5%) higher than this week last year and an increase in demand has absorbed the larger volume on offer this season. The volume is up by 16% or 142,185 bales from last season equating to 3 selling weeks. The market's rising plane since the new year has drawn "wool on hold" into the market to have our largest weekly offering since July (54,800). Hopefully the market can steady and stay above 1400 cents.

### Southern Aurora Forward Prices

Micron	Date	Low
21	Feb. 22	1350

### Main Buyers (this week)

1	Techwool Trading	4575	2	Tianyu Wool	3952	3	Fox & Lillie	3259
4	PJ Morris Wool	3247	5	Endeavour Wool	2943	6	Sequoia Materials	2605

Eastern Market Indicators (AUD cents/kg clean)  
1422 cents ↓ 27 cents compared with 04/02/2022

Northern Market Indicators (AUD cents/kg clean)  
1518 cents ↓ 25 cents compared with 04/02/2022

AUD/USD Currency Exchange  
0.7167 ↑ 0.0043 compared with 04/02/2022