



WEEKLY MARKET REPORT

Week Ending 18th February, 2022
AWEX Northern Micron Indices Comparison



AWEX INDEX	This Week S33/21	This Week M33/21	Last Sale S32/21	Sydney Change	Last Year Sydney	Sydney Yearly Change
17	2621	2700	2618	+3	2125	+496
18	2145	2173	2152	-7	1786	+359
19	1709	1711	1711	-2	1536	+173
20	1427	1432	1439	-12	1340	+87
21	1349n	1368	1360n	-11	1223n	+126
26	-	740n	748n	-		-
28	414n	420	418n	-4	510n	-96
MC	1001n	998n	1011n	-10	889n	+112

BIG OFFERING - NO DRAMAS!!

The large 55,800 bale anticipated volume that was published in the AWEX rosters last Wednesday didn't eventuate. By Monday it was back by 3,000 bales to 52,800 and after the usual withdrawn wool from the sale the offering was reduced to 49,000 bales - a 12.2% reduction from original estimates. Throw in the passed-in rate of 9.7% and we have a figure of 44,260 bales actually sold. Both buyers and sellers were concerned that the quantity was going to be too much for the market to handle given the ongoing problems we have been outlining regarding finances and logistics. The market fared well with the AWEX EMI falling by just 2 cents to 1420. In US\$ terms the market was 5 cents to the good (1024) as the FRX strengthened by .50 of a cent to above 72 cents. The market did open cheaper on the Eastern seaboard but firmed up towards the end of the sale and the Fremantle market finished dearer on both days. On the 2nd day both east coast centres were dearer. The Melbourne sale was helped by the excellent Tasmanian offering (6000 bales) with some of their fleece lots up by 50 to 100 cents from the last sale. By week's end the movements were minimal with <17 micron in seller's favour and coarser types up to 10 cents back. Skirtings also changed very little as finer than 17.5 micron, <2.5% VM lost only 5 to 10 cents with >4% VM off by 15 to 30 cents. Cardings also recorded minor losses in the opening session as all types in this sector gave back 10 to 20 cents. Crossbreds had a mixed sale with fine and broad microns (26 and 30) 5 to 20 dearer with the middle micron types in buyer's favour. The passed-in rate dropped by 7.5% to under 10%.

A good result for the market as this week's testing quantity and other problems had the market supposedly under pressure. It responded well and a few exporters seem to think that the market has bottomed out for the time being. The 3 largest topmakers in the world made their presence felt on the good style, long fleece and skirting wools on offer especially the Tasmanian selection of merino wool in Melbourne. Europe's largest topmaker dominated the XB selection as our largest trading company, Techwool, was in the top 3 buyers for all sectors while financial constraints seemed to be forgotten for the moment. National auction volumes will be in the high 40,000s for the next fortnight and then drop to low 40,000s thereafter provided the market doesn't rise too high and in a short space of time that would see weekly offerings balloon over 50,000 bales. The market should hold these levels into next week.

Southern Aurora Forward Prices

Micron	Date	Low
21	Mar. 22	1370

Main Buyers (this week)

1	Techwool Trading	6287	2	Tianyu Wool	3855	3	Endeavour Wool	3645
4	Sequoia Materials	3011	5	Fox & Lillie	2991	6	PJ Morris Wool	2880

Eastern Market Indicators (AUD cents/kg clean)
1420 cents ↓ 2 cents compared with 11/02/2022

Northern Market Indicators (AUD cents/kg clean)
1511 cents ↓ 7 cents compared with 11/02/2022

AUD/USD Currency Exchange
0.7214 ↑ 0.0047 compared with 11/02/2022