



# WEEKLY MARKET REPORT

Week Ending 25th March, 2022  
AWEX Northern Micron Indices Comparison



AWEX INDEX	This Week S38/21	This Week M38/21	Last Sale S37/21	Sydney Change	Last Year Sydney	Sydney Yearly Change
17	2627	2598	2652	-25	2102	+39
18	2087	2138	2120	-33	1799	+30
19	1668	1686	1703	-35	1571	+5
20	1386	1398	1427	-41	1365	+15
21	1282n	1301	1324n	-42	1280n	+18
26	676n	666n	689n	-13	-	-
28	394n	403	401n	-7	510n	0
MC	953n	971n	977n	-24	876n	+12

## TIME FLIES WHEN YOU'RE HAVING FUN

It was this weekend 10 years ago that we christened the new wool store and the new business with a gala dinner and fashion parade for over 400 woolgrowers. It was always our intention to have a similar event at ten years but sadly several things have got in the way, most notably Covid. The other factor that would have made it very difficult to hold now is lack of room! That situation is being addressed with the commencement of the new additional 2000sqm wool store at the rear of the block.

This week in March 2012 the EMI closed at 1224 (this week @ 1388), 17 micron was at 1728 (this week @ 2627), 19 micron was 1464 (this week @ 1668) but 21 micron was 1358 compared to 1282 this week. The offering YTD was 1,455,000 compared to 1,330,000 bales offered this season. In the ten years we have had some significant milestones and events which have impacted the price and movement of wool. During 2016 right through to the end of 2018 we went through what was being called a super cycle which saw the EMI charge through 2000 cents in May 2018. This was largely driven by Chinese mills as the more price sensitive Euro and Indian mills failed to see how it could be passed on and sustained. They were right and the market saw some enormous weekly falls as it settled back to around 1500/1600.

The drought carved 20% off production and reduced microns causing a glut of sub 18 inferior wool and a shortage of 20 and coarser. Just as supply was rebalancing itself and looking like trending upwards Covid struck, and the reverberations of global pipeline upheavals is still and will be felt for some time yet. In amongst this we had the Russian cyber-attack which took out the industry data base for over a week just over two years ago. So, we're not sure what else could be thrown at us, but we learn to roll with the punches and push on. We are very grateful for the support we receive from our client base and will at the earliest opportunity plan another wool-store event to commemorate our survival!

As mentioned last week (and above) it is the blockages and delays in the pipeline which are causing the grief at present. Wool exporters are scrambling to find space at dumps and on ships. From the usual 7-10 days from fall of hammer to shipment, they are now looking at over a month which means it's backing up in our stores. One exporter told me this week that he could book up 2-3 times more wool but just can't get space to ship it. The main dump in Melbourne this week told their clients that they could expect at least a month's wait on containerization and delivery to port.

Not surprisingly the cracks in the market have grown and most categories retreated on the first day by 20-40 cents with 18.5% Passed-in. The second day wasn't as bad but still a further 5-10 cents came off most types most notably either in lines carrying heavy fault (color or VM) or the coarser microns. The EMI lost 24 cents to 1384.

Sydney, Melbourne and Fremantle will offer 48,100 bales next week, with no hint of a price reversal yet.

### Southern Aurora Forward Prices

Micron	Date	Low
21	Apr. 22	1280

### Main Buyers (this week)

1	Techwool Trading	4569	2	Fox & Lillie	2866	3	Tianyu Wool	2365
4	Endeavour Wool	2317	5	PJ Morris	1956	6	United Wool	1815

Eastern Market Indicators (AUD cents/kg clean)  
1384 cents ↓ 24 cents compared with 11/03/2022

Northern Market Indicators (AUD cents/kg clean)  
1477 cents ↓ 22 cents compared with 11/03/2022

AUD/USD Currency Exchange  
0.7491 ↑ 0.0176 compared with 11/03/2022