



# WEEKLY MARKET REPORT

Week Ending 4<sup>th</sup> March, 2022  
AWEX Northern Micron Indices Comparison



AWEX INDEX	This Week S35/21	This Week M35/21	Last Sale S34/21	Sydney Change	Last Year Sydney	Sydney Yearly Change
17	2649	2651n	2638	+11	2125	+493
18	2138	2175	2155	-17	1840	+304
19	1701	1689	1709	-8	1611	+84
20	1416	1431	1422	-6	1397	+20
21	1324n	1324	1349n	-25	1295n	+55
26	718n	722	728n	-10	-	-37
28	418n	415	417n	+1	523n	-98
MC	979n	982	1002n	-23	859n	+136

## ***RISING AUD\$ COULD SPELL TROUBLE!!***

After 6 days of the market stagnating, external and internal pressures saw the market retreat slightly by 14 cents to 1407. As the conflict intensifies in Eastern Europe, stock markets have had their wildest fluctuations for many years and commodity prices continue to rally. Chicago wheat futures continue to climb - up by 20% for the week and 50% in February. West Texas crude (oil) has jumped by 22% this week to US\$110/barrel while closer to home, Newcastle coal futures have soared by A\$100/tonne this week to peak at \$400/tonne - doubling its price since the start of the year. The impact of sanctions against Russia by the West is impacting heavily on their banking and financial sectors forcing the Putin regime to implement unprecedented actions to stop the economy from a complete collapse. If this happens, the war could finish before any of his lunatic objectives are met, let's hope for a quick resolution.

Global shipping delays are still playing havoc with wool shipments from Australia. Delays of up to 8 weeks are creating problems with exporters' finances as they try to fund purchases in forthcoming sales. Shipping problems in South Africa saw the congestion of 250 containers at Port Elizabeth (worth about A\$46 million) cause the wool auctions to be postponed this week. Adding to delays are the ongoing closures of some of the globe's busiest ports in China since the Chinese New Year. As we mentioned earlier, the market lost 1% to 1407 but added 5 cents to 1026 in US\$ terms - this due to the A\$ strengthening by 1.5% to 73 cents - its highest level for 5 months. In fact, the market was dearer in Euro and Chinese Yuan terms as the A\$ ascended against all our major trading partners killing off any chance of a market rise. Finer microns (<17) were up to 10 cents higher with 18 and 21 microns 15 to 25 cents cheaper with all others around 5 cents off. Skirtings with <3%VM and finer than 18 micron were unchanged for the sale with all others 10 to 20 cents off. The good run that cardings were on dissipated as falls across the board of 20 to 40 cents saw the MCI lose 23 cents to 979. Crossbreds bucked the trend for 28s and coarser to be fully firm but finer types gave back 10 cents. The pass-in was identical to last series at 12%. Given the market's minute movements over the past few sales and the weekly offerings averaging 48,000 bales coupled with the shipping and financial problems the market has held up quite well. Another big catalogue looms next week (51,000 bales) and given the run of the A\$ we could again find a bit of resistance for the market to recoup this sale's losses unless finances are freed up and new business is written.

### ***Southern Aurora Forward Prices***

Micron	Date	Low
21	Jun. 22	1300

### ***Main Buyers (this week)***

1	Techwool Trading	7566	2	Endeavour Wool	4293	3	Tianyu Wool	3733
4	PJ Morris Wool	2491	5	Sequoia Materials	1727	6	Australian Merino	1523

Eastern Market Indicators (AUD cents/kg clean)  
1407 cents ↓ 14 cents compared with 25/02/2022

Northern Market Indicators (AUD cents/kg clean)  
1503 cents ↓ 10 cents compared with 25/02/2022

AUD/USD Currency Exchange  
0.7293 ↑ 0.011 compared with 25/02/2022