



WEEKLY MARKET REPORT

Week Ending 29th April, 2022
AWEX Northern Micron Indices Comparison



AWEX INDEX	This Week S43/21	This Week M43/21	Last Sale S41/21	Sydney Change	Last Year Sydney	Sydney Yearly Change
17	2624	2632n	2613	+11	2274n	+350
18	2097	2157	2085	+12	1916	+181
19	1684	1696	1673	+11	1595	+89
20	1388	1388	1368	+20	1333	+55
21	1302n	1303	1287n	+15	1262n	+40
26	-	679n	644n	-	800n	-
28	392n	407	388n	+4	515n	-123
MC	929n	949	931n	-2	897n	+32

SHIPPING WOES A BIG DRAMA!!

The market resumed this week after the Easter recess. Initial sale estimates forecast a national catalogue of 54,500 bales but with public holidays restricting coring time and the wet weather, this number fell. It fell to 51,300 bales on Tuesday and by week's end the offered figure had dropped to 48,700. A major shift in the FRX had many talking up the market as the A\$ had fallen from 74.50 cents prior to Easter to low 71s and dipped below 71 cents on Wednesday night. The market did increase, but probably not to the extent some growers had hoped. The AWEX EMI gained 10 cents to 1377, but in US\$ terms had a sharp decline by 39 cents to 980 due to the downward movement of the A\$. All merino FLC types improved in a very tight price band (10 to 20 cents covered all microns) after both days saw solid increases. Skirtings didn't have the support that their FLC counterparts had as good colour, low VM types were fully firm while >5% VM lots with poor L/S results were 15 to 25 cents cheaper. Skirtings with increased cott, jowl and heavy colour are coming under more pressure as the volume increases - buyers are discounting these types more and more as they find it difficult to place them. The carding sector was the only negative for the sale as most types saw a fall of 5 to 10 cents as the 3 MCIs averaged a 7 cent drop. Crossbreds edged up by 5 to 10 cents for 28s and finer with the coarser lots unchanged. Despite the firming market the pass in rate remained about the same at 11% due to the high rate in Fremantle of 17%.

Even with the A\$ doing the opposite of what most economists thought (80 cents looked to be well within reach only 6 weeks ago) currencies around the world are on the slide with global events playing havoc with economies. Interest rate rises are a given to try stem the rapid rise of inflation and demand in some markets is waning. China's savage lockdown policy is at odds with the rest of the world as it continues to reopen and people move around as freely as before the pandemic started. The lockdown in Shanghai has been particularly bad for its economy with major disruption at their ports. It's reported that there is a backlog of over 500 container ships to be unloaded in Shanghai alone. Depending on the size of the ship and the container this could have between 6.5 to 10 million containers waiting to be unloaded just at Shanghai. This is putting more strain on wool buyer's finances as the extended delays see more money tied up in the wool not getting delivered on time and not releasing money to continue to buy wool. Several key exporters have voiced their concerns at this situation with some saying it will be very hard to continue to buy wool in the current climate. We have decided to extend their prompt payment by 1 week to try and ease pressure on their financial positions. We did this when the pandemic started but the current situation is now far worse than 2 years ago.

Weekly offerings look to be lightening off, as is usual for this time of year, and should assist buyers in finding enough money to fulfil purchasing requirements. 41,000 bales are on offer next week with no real change expected.

Southern Aurora Forward Prices

Micron	Date	Low
21	May 22	1285

Main Buyers (this week)

1	Techwool Trading	6473	2	Fox & Lillie	4159	3	Endeavour Wool	3862
4	Tianyu Wool	3044	5	Australian Merino	2967	6	United Wool	2581

Eastern Market Indicators (AUD cents/kg clean)
1377 cents ↑ 10 cents compared with 14/04/2022

Northern Market Indicators (AUD cents/kg clean)
1466 cents ↑ 9 cents compared with 14/04/2022

AUD/USD Currency Exchange

0.7120 ↓ 0.0339 compared with 14/04/2022