



WEEKLY MARKET REPORT

Week Ending 24th June, 2022
AWEX Northern Micron Indices Comparison



AWEX INDEX	This Week S51/21	This Week M50/21	Last Sale S50/21	Sydney Change	Last Year Sydney	Sydney Yearly Change
17	2732	2800	2740	-8	2568	+164
18	2211	2313	2246	-35	2169	+42
19	1821	1821	1824	-3	1810	+11
20	1570	1568	1507	+63	1500	+70
21	1486	1494	-	-	1356n	+130
26	-	680	-	-	-	-
28	-	423	-	-	493n	-
MC	946	925	948	-2	976n	-30

1474! A 2 YEAR HIGH, BUT???

Another good week for the market as the AWEX EMI edged higher by 7 cents to 1474, but there was a tone of hesitation for some sectors of the market signaling that peaks may have already been reached. Finer merino fleece types looked to have stalled their rises as all microns <19 fell or were barely maintained. The A\$ continued to favour exporters, falling below 70 cents during the week and under 69 cents this morning. Broader wools continue to be the flavour of the month as 19.5s to 22s jumped by 10 to 65 cents. 18 to 18.5 micron fell by 25 to 35 cents with all others either side of fully firm. Stylish, low VM, better skirtings remained solid with others 15 to 25 cents cheaper from the previous series. The carding market seemed to split into 2 as the MCI fell by 2 cents, LKS gained 10 to 30 cents while STN/CRT gave back 10 cents. The crossbred market was unchanged on a small offering with well prepared clips gaining more and more support, an encouraging sign going forward. Even with the dearer market, the passed-in rate lifted by 1% to 11%. As the FRX went in our favour, the EMI in US\$ terms slipped by 6 cents to 1021.

Just the 2 east coast centres were in action this week as Fremantle were in recess. The national offering was down to 29,800 bales: the smallest weekly selection since last August. Restricted volume and the FRX movements were always going to keep pressure on the buyers, but there look to be cracks appearing in some sectors as quick, prompt demand driven urgency has halted the aggressive rises we saw a few sales ago across the board. While the medium to broad types are keenly sought after (21s are 8% higher in US\$ terms), 18 micron and finer have flatlined with the gap between 18 and 20 micron the closest for 6 months (640 cents). The buying lists were topped by local and Chinese traders as well as their indent buyers which outgunned direct, early stage processors in almost all sectors.

At 1474, the market is at its highest level since March 2020 when realisation of the effects of the pandemic were taking hold. The EMI went from 1609 in January 2020 to bottom out at 850 eight months later in September. No one is predicting a disaster like that again, but with sharp increased volumes to end the season next week and Sale 1 in July averaging 48,000 bales (up from the past 4 sales 32,800 bale average) finding a home for the extra wool and buyers securing the extra finance needed by may be a bridge too far for some - unless the FRX helps over the weekend. We have our biggest catalogue (1900 bales) and some of the best quality on offer for some time on Wednesday next week to finish the year.

Southern Aurora Forward Prices

Micron	Date	Low
21	Aug 22	1400

Main Buyers (this week)

1	Techwool Trading	3886	2	Endeavour Wool	2570	3	Australian Merino	2411
4	Meliwa	2001	5	Fox & Lillie	1991	6	Tianyu Wool	1152

Eastern Market Indicators (AUD cents/kg clean)
1474 cents ↑ 7 cents compared with 17/06/2022

Northern Market Indicators (AUD cents/kg clean)
1559 cents → unchanged compared with 17/06/2022

AUD/USD Currency Exchange
0.6928 ↓ 0.0071 compared with 17/06/2022