

AWEX INDEX	This Week S48/21	This Week M47/21	Last Sale S47/21	Sydney Change	Last Year Sydney	Sydney Yearly Change
17	2712	2741	2705	+7	2330	+382
18	2190	2212	2198	-8	1965	+225
19	1729	1737	1739	-10	1640	+89
20	1420	1430	1430	-10	1350	+70
21	1341	1356	1343n	-2	1269n	+72
26	-	689	-	-	-	-
28	-	410	403	-	448n	-
MC	951	949	1001	-50	913n	+38

FINALLY, THE SHED GETS STARTED!!

The market softened again for the 2nd sale in a row, especially the carding sector which lost 50 cents (65% of it gains since Easter) as buyers were cautious with their buying strategies. Merino fleece losses were minimal with finer microns: <18 and 21s losing up to 10 cents, bar 17s which went up by 5 cents and 18.5 to 20 micron back by 10 to 15 cents. As has been the pattern for some time, better style, finer types were fully firm while lots with VM >1.5%, colour and poor L/S results push their indicators down. Skirtings followed the pattern of the fleece room as good style lots with correct specs and <3% VM quoted on par with last week, while lots with colour/cott and poor L/S results finished 10 to 20 cents cheaper. Cardings were the biggest loser of the sale with large corrections mostly on the opening day of the sale for all types in this sector. By week's end, falls ranged from 30 to 70 cents as the 3 centres averaged 50 cent losses to have the 3 MCI's within 5 cents: 954 to 949. Crossbreds also drifted lower to finish in buyer's favour. The rising A\$ was again a factor with almost a 1% lift to 71.70 cents - this saw the EMI in \$US terms gain 5 cents to 1014 and retract by a similar number (6 cents) to 1414 for the AWEX EMI. The pass-in rate did actually fall by 1% to 13%.

Even though the market tapered off for the 2nd sale in a row, there was a definite change in buyer sentiment late on the final day with Fremantle merino fleeces in seller's favour, giving hope that the market may have bottomed out for the moment. A few buyers have hinted that the market will be fully firm at worst with FRX movements dictating if we can recover the losses of the past 2 sales. Dominant buyers this sale were topmakers, indent buyers and other early stage processors. Traders played 2nd fiddle to these buyers as booking up fresh, new business in any reasonable volume to China was a struggle at best while the selection limited Indian and European buyers with their quality and specs outside the offering. On the flipside, some good news coming out of China is the lifting of lockdown restrictions in Shanghai with 25 million people to resume life in some sort of normality - this means some industries will recommence operations including the woolen mills that have been running well below 50% capacity. Transport systems and related industries will be back on track and hopefully demand will lift soon. The fluctuating FRX will influence the market as the global economy adjusts to rising inflation and interest rates. The A\$ will benefit from the surge on raw material prices as commodities usually do well when inflation rises. As interest rates rise China will ease financial support for many companies, helping a stronger A\$. Going against this is the interest rate advantage of the US\$ over our \$ as we are aligned closer to the USA.

AWTA testing figures for May were 3.5% back from May 2021, but the progressive total this season compared to 2021 is up by 5.7% - 311Mkg to 295Mkg last season. Just the 2 East coast centres in operation next week with 33,000 bales on offer. Work has finally begun on the new shed after many delays!!! You can see some pictures on our Instagram page https://www.instagram.com/macdonald_and_co/

Southern Aurora Forward Prices

Micron	Date	Low
21	July 22	1330

Main Buyers (this week)

1	Tianyu Wool	3858	2	Techwool Trading	3018	3	Endeavour Wool	2547
4	PJ Morris Wools	2120	5	United Wool	1935	6	Fox & Lillie	1571

Eastern Market Indicators (AUD cents/kg clean)
1414 cents ↓ 6 cents compared with 27/05/2022

Northern Market Indicators (AUD cents/kg clean)
1517 cents ↓ 11 cents compared with 27/05/2022

AUD/USD Currency Exchange
0.7162 ↑ 0.0063 compared with 27/05/2022