



WEEKLY MARKET REPORT

Week Ending 30th September 2022
AWEX Northern Micron Indices Comparison



AWEX INDEX	This Week S13/22	This Week M13/22	Last Sale S12/22	Sydney Change	Last Year Sydney	Sydney Yearly Change
17	2320	-	2355	-35	2407	-87
18	1838	1775	1869	-31	2006	-168
19	1569n	1508	1588	-19	1638	-69
20	1384n	1356	1389	-5	1312	72
21	-	1281	1301	-	1232n	-
26	-	632n	-	-	-	-
28	335n	352	345	-10	427n	-92
MC	867n	860	860	+7	893n	-26

MARKET CONTINUES ITS DOWNWARD TREND

At the present moment and under the current global economic conditions it seems as though nothing can stop the fall of the wool market. Another 3% fall in the FRX to a level not seen since before the pandemic (down to 64.65 cents) had no positive influence on the market and the smallest national offering since mid June (28,000 bales) wasn't of much help either. Some buyers even commented that if these 2 factors were not in play the market could have fallen by another 20 to 30 cents. As it was the AWEX EMI lost another 24 cents to 1255 (1.9%) to extend the run of losses to 11 weeks. The last time the market had a weekly rise was at the end of June, the market now 219 cents (15%) below that peak of 1474. The losses were larger in US\$ terms: a 41cent fall to 812 which is a 2 year low. Again, it was finer fleece types which had the largest falls, 19s and finer down 20 to 55 cents with broader microns up to 10 cheaper. Good style skirtings were quoted as solid with lower spec types 25 to 30 cents off. Cardings bucked the falling trends of other sectors with gains of up to 10 cents for most types with XBs easing to buyer's favour. The pass-in rate grew to 16%.

Economic conditions for our major wool using customers look to be worsening as recession talk is spooking stock markets and the prospect of a long, cold, European winter devoid of Russian gas for heating is a reality for 100s of millions in Europe and the UK as the Ukraine/Russia conflict are major hurdles to the market shaking off this current downward trend. The fear of higher inflation and ever increasing interest rates is dampening consumer confidence even though there are billions of dollars held in consumers' bank accounts across the globe. Chinese mills have up to a six month lag on orders due to their tough lockdown laws and are cancelling these orders, missing a season of new fashion releases. Many downstream processors are looking outside of China for tops and yarn, but order books are full 6 months out and wouldn't be able to deliver any sooner. Another factor is the Brexit implementation which in Britain is a definite negative for the textile trade.

Some more ram sale results: Allendale at Wellington topped at \$5,500 to clear 92% and average \$2,275; Pooginook averaged \$3,820 to top at \$11,500 selling all but 2 of 350 rams offered; Kerin Poll at Yeoval sold all 519 rams offered to average \$4,115 with a top of \$18,500. Macquarie Dohne's at Ballimore achieved a top of \$8,000 to average \$3,000 and sell all but 6 of the 228 rams on offer; Bella Lana at Wellington averaged \$2,450 with atop of \$7,500 with a 94% clearance; Dunedoo stud, Langdene, topped at \$15,000 to sell 99% and average \$4,585. The famed Collinsville stud topped at \$48,000 to sell all 300 rams offered to average \$3,105.

Southern Aurora Forward Prices

Micron	Date	Low
21	Nov 22	1240

Main Buyers (this week)

1	Tianyu Wool	5360	2	Endeavour Wool	2214	3	Techwool Trading	2092
4	Fox & Lillie	1963	5	Sequoia Materials	1172	6	Modiano Australia	724

Eastern Market Indicators (AUD cents/kg clean)
1255 cents ↓ 24 cents compared with 23/09/2022

Northern Market Indicators (AUD cents/kg clean)
1352 cents ↓ 13 cents compared with 23/09/2022

AUD/USD Currency Exchange
0.6474 ↓ 0.0199 compared with 23/09/2022