



WEEKLY MARKET REPORT

Week Ending 7th October 2022
AWEX Northern Micron Indices Comparison



AWEX INDEX	This Week S14/22	This Week M14/22	Last Sale S13/22	Sydney Change	Last Year Sydney	Sydney Yearly Change
17	2255	2130	2320	-65	2445	-190
18	1818	1702	1838	-20	2036	-218
19	1524	1489	1569n	-45	1643	-119
20	1347n	1346	1384n	-37	1322	+25
21		1282	-		1239	-
26		650n	-		-	-
28	328n	338	335n	-7	418	-90
MC	864	843	867n	-3	897	-33

SAME STORY JUST A DIFFERENT WEEK!!

The weeks might roll on, but as far as the wool market is concerned it was the same old story as the past few months, with the market cheapening up sale by sale. The run of losses now stretches to 12 weeks with very little prospect on the horizon of a lift in the market, bar medium types that may find some support soon. Finer fleece microns (<19) remain almost friendless as do XBs. Volumes are slightly higher than last season (6% or 25,300 bales) but this is not the problem - rising global inflation rates that are forcing Central banks to keep increasing interest rates will put more and more pressure on household incomes, coupled with the rising cost of living (food, fuel, heating and increasing mortgage costs) which will inevitably squeeze budgets and stall the discretionary spending wool is almost completely reliant on in all our major markets.

No sector of the market was immune from the falls. Merino fleeces lost 20 to 65 cents across the board, skirtings fell by 10 to 30 cents, with cardings in buyers' favour by 10 cents as LKS and lower spec types fell, and XBs had minimal price changes as 28s fell by 10 cents. The passed-in rate actually fell by almost 3% to 13% as the final session of this series was quoted as just in buyers' favour with 19s and coarser in Melbourne actually dearer by up to 20 cents. The AWEX EMI lost 20 cents to 1235 and just 5 cents in US\$ terms to 807. The market is now 16% lower (1235) than the June peak of 1474 and 104 cents behind (this week) a year ago. A few stats that will give XB growers a gut ache: The 30 micron indicator in Melbourne is at 297, its lowest point on record with 28s at 338 cents which is just 6 cents from its record low of 332 in October 1999. 28 microns hit a peak of 1323 in May 2019 – that is a 985 cent difference and a massive 75% fall. 21s are 1086 cents lower than February 2019 (2368 to 1282) and 18 micron have fallen 29%, 715 cents (2533 to 1818) since then.

The head of the WTO has warned of several global trade disruptions negatively affecting economic recovery: the ongoing war in Ukraine and its effects on energy prices and food security, some ongoing bottlenecks in shipping routes, China's outdated zero Covid-19 policy and inflation related problems. Chinese exports to the US shrank for the first time in 2 years (August) while Chinese exports to Russia surged as sanctions are forcing them to source goods from virtually the only country yet to impose any sanctions against them.

Southern Aurora Forward Prices

Micron	Date	Low
21	Nov 22	1220

Main Buyers (this week)

1	Tianyu Wool	4577	2	Endeavour Wool	3730	3	Techwool Trading	2333
4	PJ Morris Wools	2317	5	Fox & Lillie	2229	6	United Non-Mulesed	903

Eastern Market Indicators (AUD cents/kg clean)
1235 cents ↓ 20 cents compared with 30/09/2022

Northern Market Indicators (AUD cents/kg clean)
1329 cents ↓ 23 cents compared with 30/09/2022

AUD/USD Currency Exchange
0.6536 ↑ 0.0062 compared with 30/09/2022