



# WEEKLY MARKET REPORT

Week Ending 25th November 2022  
AWEX Northern Micron Indices Comparison



AWEX INDEX	This Week S21/22	This Week M20/22	Last Sale S20/22	Sydney Change	Last Year Sydney	Sydney Yearly Change
17	2180	2048n	2145n	+35	2399	-219
18	1830	1773	1802	+28	2003	-173
19	1571	1595	1539	+32	1662	-91
20	1402	1445	1365	+37	1366	+36
21	1319n	1353	1280	+39	1308n	+11
26	592n	644	-	-	740n	-148
28	320n	350	330	-10	408n	-88
MC	880n	867	876n	+4	874n	+6

## MARKET STARTS ITS RECOVERY???

After 4 weeks of losses totaling 91 cents that saw the market fall to a seasonal low of 1232, a favourable FRX and an increase in enquiry and demand had the market do an about face to see the AWEX EMI recapture 24 cents to finish at 1252, wiping out 26% of the past month's losses. The seesawing pattern that the market has adopted since the August recess continues but one aspect in our favour is the market rises are happening twice as quick as the rate of the falls. In October, the market took just 5 days to ascend by 88 cents from 1235 to 1323 but the falls back to the low point of the season took 8 days. From the outset, market sentiment was far more positive than previous weeks with buyers cautiously feeling each other's price limits in the opening session then becoming more aggressive on the final day. By weeks end, all fleece microns had lifted by 25 to 45 cents with some of the spinner types (<18 microns) up to 150 to 200 cents higher than the sale previous - good news perhaps for superfine growers in next week's designated superfine sale in Sydney. Skirtings waited until the final session to move forward by 20 to 30 cents with most emphasis on the low VM, better style types. Cardings while positive for the sale were mainly in seller's favour. The XB sector couldn't keep pace with their merino counterparts as 10 to 15 cent losses were recorded. Due to the shift in the FRX, the EMI in US\$ terms was unchanged at 834 cents and the passed in rate fell to 8.5%.

The 1.5% fall in the A\$ to the US\$ was the impetus the market was looking for to do more business and with demand increasing ever so slightly, these two critical factors combined with the hand to mouth approach that all mills run with nowadays (very low volumes of greasy wool stocks waiting to be processed) may see the market experience a dearer run to Xmas with just 3 sales till then. Wool needs to be purchased and on the water to China soon for them to keep processing post their Chinese New Year celebrations in late January. A large indent buyer from China set the tone in the merino fleece room forcing the "fence sitters" to enter the market and compete on wools that needed prompt shipment especially in the finer microns (16 to 18s). European and Indian buyers were less aggressive than in previous weeks and apart from the Chinese indent orders, their orders are still subdued. The ongoing zero Covid-19 policy is still hampering mills to purchase wool in a "normal" fashion and process it in a timely manner with the largest 3 topmakers reporting difficult trading/buying conditions over the past 3 weeks. Retail sales have more than halved in the past 4 weeks as over 400 million people are in strict lockdown, heavily impacting the sale of woolen products from sweaters to high end fashions which rely mainly on walk in foot traffic. Market should be OK despite the high FRX.

### Southern Aurora Forward Prices

Micron	Date	Low
21	Dec 22	1250

### Main Buyers (this week)

1	Endeavour Wool	4381	2	Techwool Trading	3814	3	Fox & Lillie	2286
4	Meliwa	1964	5	Tianyu Wool	1920	6	PJ Morris Wools	1788

Eastern Market Indicators (AUD cents/kg clean)  
1256 cents ↑ 24 cents compared with 18/11/2022

Northern Market Indicators (AUD cents/kg clean)  
1336 cents ↑ 21 cents compared with 18/11/2022

AUD/USD Currency Exchange  
0.6637 ↓ 0.0127 compared with 18/11/2022