



# WEEKLY MARKET REPORT

Week Ending 13th January, 2023  
AWEX Northern Micron Indices Comparison



AWEX INDEX	This Week S28/22	This Week M28/22	Last Sale S24/22	Sydney Change	Last Year Sydney	Sydney Yearly Change
17	2237	-	2227	+10	2465	-228
18	1952	1958	1927	+25	2080	-195
19	1681	1679	1671	+10	1700	+10
20	1488n	1528	1532	-44	1408	+80
21	-	1446	1457n	-	1340n	-
26	578	595	-	-	759	-181
28	330	343	337n	-7	420	-90
MC	881n	873	879n	+2	817	+64

## MARKET OPENS THE YEAR ON A SOLID NOTE

A 3 week recess can be a long time between wool sales, especially with Covid-19 running rampant through China and very little business being done in the lead up to Christmas as most agents and critical staff from almost every mill in China were off sick. According to our source in Melbourne the virus was spreading like wildfire in the big cities and infecting 10s of millions every day and killing up to 1 million/week. Fortunately, the worst of the pandemic is over in the big cities and has moved out to the rural areas with most people getting back to work where it matters for big businesses and industries. As we mentioned earlier, virtually no business was written pre Xmas when FRX rates were very advantageous for woolgrowers and with a big offering to start the year plus a rising A\$ the hot tip was a price reduction of 20 to 40 cents for fleece wools. Prices did fall in the opening session: up to 15 cents off for 17.5 to 18.5s while 19.5 and coarser were 20 to 30 cents cheaper. The market's sudden change of sentiment late in the week saw 19 micron and finer 10 to 40 cents dearer with broader types 15 to 30 cents cheaper. Skirtings followed a similar pattern to their fleece counterparts: starting cheaper only to regain the losses to finish 20 cents dearer with some of the best types up to 50 cents better. Oddments sold in the same pattern to also finish in seller's favour. Crossbred fleeces (26 and 30 micron) were 10 to 20 dearer with others unchanged. Surprisingly, the passed in rate climbed to 11%, up by 5% as the FRX also headed north to settle above 69 cents, quite a step up from below 67 cents pre Xmas.

As has been the case for the past 7 years, the market started the year with a dearer trend. This was seen as a very good result given the Covid situation in China and FRX movements. After the cautious start it was "on with the job" as buyers were keen to secure wool. Some of the very best types <19 micron, FNF and low CVHs were quoted as extreme on Wednesday making 100 to 200 cents better than similar wools that didn't fit the specs. The 3<sup>rd</sup> largest catalogue of the season and the biggest since August didn't seem to phase the buyers as one buyer said this could be in fact the low point of the market for some time. Those exporters with stock on hand were able to on sell these wools at dearer price levels with the balance needed to buy this week and exporters selling forward into February. Chinese mills led the charge to secure wool as exporters and some local 1<sup>st</sup> stage processors were also keen not to be left behind as well as indent buyers from China driving the good support for the market late in the sale. Next week will see a similar volume on offer in the 3 centres with the market to edge higher according to some good judges.

### Southern Aurora Forward Prices

Micron	Date	Low
21	Jan 23	1300

### Main Buyers (this week)

1	Techwool Trading	4038	2	Endeavour Wool	2605	3	Tianyu Wool	2240
4	Pelican Australia	2166	5	Australian Merino	1891	6	Fox & Lillie	1783

Eastern Market Indicators (AUD cents/kg clean)  
1333 cents ↑ 6 cents compared with 16/12/2022

Northern Market Indicators (AUD cents/kg clean)  
1404 cents ↑ 8 cents compared with 16/12/2022

AUD/USD Currency Exchange  
0.6911 ↑ 0.063 compared with 16/12/2022