



WEEKLY MARKET REPORT

Week Ending 10th February 2023
AWEX Northern Micron Indices Comparison



| AWEX INDEX | This Week S32/22 | This Week M32/22 | Last Sale S31/22 | Sydney Change | Last Year Sydney | Sydney Yearly Change |
|------------|------------------|------------------|------------------|---------------|------------------|----------------------|
| 17 | 2405 | 2412 | 2333 | +72 | 2618 | -213 |
| 18 | 2075 | 2081 | 2003 | +72 | 2152 | -77 |
| 19 | 1772 | 1777 | 1725 | +47 | 1711 | -61 |
| 20 | 1586 | 1605 | 1553 | +33 | 1439 | +147 |
| 21 | 1523n | 1549 | 1458n | +65 | 1360n | +163 |
| 26 | 540n | 618 | 498n | +42 | 748n | -208 |
| 28 | 350n | 357 | 340 | +10 | 418n | -68 |
| MC | 924n | 920 | 912n | +12 | 1011n | -87 |

VOLUME REACHES THREE YEAR HIGH AND SO DOES 21's.

The confidence we had last week was certainly shown in the market from the opening lot on Tuesday. The 49,000 bales on offer met with solid demand across a range of types with only 5.7% passed-in, which was about half the season average. Many of the passed-in lines were mostly XB oddments carrying fault which are still very much in the doldrums.

The EMI reached 1400 at the close to be 44 cents dearer for the week and is now at the highest point of the season. Interestingly one of the strongest gains for the week was 21 micron which now enjoys a three year high. It wasn't all smooth sailing though as the volume came forward and quantities grew for coming weeks, the ability to pick and choose became more evident. The increase in wool production forecast of an extra 16mkg will eventuate although a month ago it wasn't looking likely. As the country has dried out and wool is being moved to store the figures look easily attainable. January figures from AWTA showed a YOY increase of 24% for the month and the return of some of our key markets like China is very timely to handle the increase in production. This was all inevitable with a couple of good seasons and good lambings. It has been no surprise that 16-18 micron types have seen great gains over the past two months (up 12% to 17%) but we have been pleasantly surprised to see the volume sectors of 19.5-21.0 (+17%) also share in the recovery and in fact surge ahead of their levels of the covid years.

A slow and steady recovery in the XB sector can be seen if you don't blink. Another 10 cents were added to the 28 micron indicator on top of last week's 10 cent gain. At this rate, this time next year it will be reasonable!

The trend that isn't going away is the interest in well prepared certified clips. All along the supply chain traceability and certification are asked for. This is most evident with non-mulesed wool particularly RWS certified, but also well prepared mulesed clips carrying SustainaWool Blue certification are attracting good competition.

Next week an offering of 59,000 bales, the largest in three years, will be offered with the MacWool/Carmichael offering of 1,625 bales going up on Tuesday. Currency movements between now and then could be critical.

Southern Aurora Forward Prices

| Micron | Date | Low |
|--------|--------|------|
| 21 | Feb 23 | 1400 |

Main Buyers (this week)

| | | | | | | | | |
|---|------------------|------|---|-----------------|------|---|-------------------|------|
| 1 | Techwool Trading | 6931 | 2 | Endeavour Wool | 5519 | 3 | United Wool | 3525 |
| 4 | Tianyu Wool | 3377 | 5 | PJ Morris Wools | 2888 | 6 | Australian Merino | 2874 |

Eastern Market Indicators (AUD cents/kg clean)
1400 cents ↑ 44 cents compared with 03/02/2023

Northern Market Indicators (AUD cents/kg clean)
1473 cents ↑ 40 cents compared with 03/02/2023

AUD/USD Currency Exchange
0.6969 ↓ 0.0082 compared with 03/02/2023