



WEEKLY MARKET REPORT

Week Ending 16th June 2023
AWEX Northern Micron Indices Comparison



AWEX INDEX	This Week \$50/22	This Week M50/22	Last Sale \$49/22	Sydney Change	Last Year Sydney	Sydney Yearly Change
17	1943	1960	2067	-124	2740	-797
18	1653	1668	1780	-127	2246	-563
19	1466	1476	1524	-58	1824	-358
20	1356n	1382	1393n	-37	1507	-151
21	-		-	-	-	-
26	-	526	-	-	-	-
28	303n	313	300n	+3	-	-
MC	739n	724	756n	-17	948	-209

RUDDERLESS AND BECALMED

Unfortunately, we did not find the bottom last week and the market showed little signs of direction this week in a manner we were looking for. A lack of confidence is common in many of our markets at present with the exception of interest rates which seem to be the only market heading north.

The offering this week of just under 40,000 bales saw falls that were quite alarming, particularly 17-18 micron categories which were 120-130 cents cheaper over the week. There was virtually no sector of the market where we saw a glimmer of a recovery, from fine wools through to cardings and of course broad wools which are moribund.

As many of you will know, it's not just the wool market that is suffering at present, but all livestock prices have succumbed to this blanket of depression that is really hard to put a finger on as to the exact reason. Is it rising interest rates, inflation, energy costs, labour shortages or does all these things add up to a lack of confidence to take a position? We know that in China, we have been told that the post covid recovery hasn't been as positive as predicted and a couple of big plants have reduced capacity whilst renewing and increasing production. But I think all roads lead to a lack of confidence caused by a multitude of these factors which see private enterprise sit back and be reluctant to be stock holders, be it wool or red meat, and hence this lack of direction.

Growers have done their best to send a signal over the past month and none more so this week with 10-15% withdrawn prior to sale and then a further 15-30% passed in, but even this has failed to put a floor in the market.

Grower held stocks are lifting, but not to any level of concern as these are functions of a free market in a normal cycle of downturn and exporters need sellers to moderate offerings in times like this otherwise the picture could be a whole lot worse. The real question is how long will this down cycle last and if it's a lack of confidence globally, will the fortunes of our related commodities turn together with wool?

Next week will see only the Eastern selling centres operating which could be of some comfort and our short term fortunes lay with currency movements depending on which way the wind blows!

Southern Aurora Forward Prices

Micron	Date	Low
21	July 23	1330

Main Buyers (this week)

1	Techwool Trading	5056	2	Endeavour Wool	4415	3	Tianyu Wool	3380
4	Sequoia Materials	2140	5	United Wool	1846	6	Meliwa	842

Eastern Market Indicators (AUD cents/kg clean)
1208 cents ↓ 1 cent compared with 09/06/2023

Northern Market Indicators (AUD cents/kg clean)
1276 cents ↑ 6 cents compared with 09/06/2023

AUD/USD Currency Exchange
0.668 ↑ 0.0185 compared with 09/06/2023