



# WEEKLY MARKET REPORT

Week Ending 8th September 2023



## AWEX Northern Micron Indices Comparison

AWEX INDEX	This Week S10/23	This Week M10/23	Last Sale S09/23	Sydney Change	Last Year Sydney	Sydney Yearly Change
17	1718	1738	1762	-44	2495	-777
18	1525	1526	1533	-8	1973	-448
19	1404	1418	1405	-1	1622	-218
20	1305n	1321	1302n	+3	1406	-101
21	-	1273	-	-	1321	-
26	-	598	-	-	-	-
28	345n	350	340n	+5	375n	-30
MC	710n	697	722n	-12	862n	-152

## We're ready for some good news!

The wool market this week initially disappointed but did show promise towards the end. The first day's selling of which we were part was disappointing particularly at the finer end and heavy VM types did struggle as they are still in plentiful supply. As the selling progressed into the latter stages of Tuesday and into Wednesday trading conditions improved on the back of some favourable news from a fabric fair in China. The WA market selling two hours behind us saw a surge of orders and closed accordingly some 20-30 cents dearer than the Syd/Melb close.

The EMI closing this week at 1127 is close to the three year low we saw when in the middle of a rebound from a Covid scare where it actually rose around 100 cents a week for a couple of weeks to commence a recovery which we thought would be longer lived. The stalling of this recovery has been mostly due to a much slower than expected recovery of the Chinese economy which some analysts now predict might not have happened for a varied range of reasons. Without doubt though we are coming to the realisation that we may have seen the best in terms of growth from the Chinese tiger. The one child policy combined with the rapid urbanisation of millions of people have combined to "overdo" slowing population growth and as this has been happening in Japan and South Korea for some time, it will happen on a much grander scale in China. This is not necessarily all bad news for wool as the mature market spends more on luxury, but still combine this with geopolitical tensions and you get caution. The first Nanjing Wool Conference in four years will be held in just over a week's time and exporters are keen to get together with their customers and hopefully rekindle some long held relationships with our customers.

The supply situation for the season so far is around 7% down on the previous year, but early days yet. There are still high volumes of heavy VM types coming through and the new season lower VM types will certainly help processors average batches to a more desirable level. Around 43,800 bales are to be offered next week into what we expect to be a dearer trend, we just don't know how long for!

### Southern Aurora Forward Prices

Micron	Date	Low
21	September 23	1270

### Main Buyers (this week)

1	Techwool Trading	5117	2	Endeavour Wool	4798	3	Tianyu Wool	3961
4	Australian Merino	3681	5	PJ Morris Wools	3639	6	Pelican Australia	2350

Eastern Market Indicators (AUD cents/kg clean)  
1127 cents ↓ 4 cents compared with 01/09/2023

Northern Market Indicators (AUD cents/kg clean)  
1164 cents ↓ 8 cents compared with 01/09/2023

AUD/USD Currency Exchange  
0.6384 ↓ 0.009 compared with 01/09/2023