

AWEX Northern Micron Indices Comparison

AWEX INDEX	This Week S19/23	This Week M19/23	Last Sale S18/23	Sydney Change	Last Year Sydney	Sydney Yearly Change
17	1707	1685	1707	0	2200	-493
18	1522	1525	1512	+10	1838	-316
19	1391	1388	1392	-1	1534	-143
20	1302n	1311	1298n	+4	1370n	-68
21	-	1298	-	-	-	-
26	-	580n	578n	-	608	-
28	350n	360	370n	-20	345	+5
MC	695n	684	700n	-5	885	-190

Market Defies the Exchange Rate

After the close of last week's market, the predications were anything but positive. Business written before the sale opened on Wednesday was minimal and the dollar has pushed its way to almost 66 US cents. With 42,682 bales on offer it looked like we would be in for a tough couple of days selling. The opening on Wednesday was quite sedate which saw the merino indicators close within cents, both dearer and cheaper from where the market finished last week. Unlike a few weeks ago when the crossbred indicators lifted the EMI, they actually had a major influence in the EMI falling 7 cents for the day. The following day had the dollar fall back under 65 US cents which led to the majority of indicators finding better levels of support. This had the EMI fall just 1 cent for the week, closing at 1128 cents.

The buyers whom we talk to for our market intelligence continue to express how difficult the trading environment is at the moment with Chinese mills not overcommitting to larger quantities in the current economic environment. European mills are very quiet with much of the best top making wools 18.5 micron and finer not getting into their processors but ending up in China. The whole world at present is slowly pulling itself forward financially and it is difficult to gauge when discretionary spending will become more free flowing, and when we might see our wool market improve. One point that was made in talking with one of the exporters was that there isn't a vast amount of held wool in China waiting to find a home which is comforting to know that what is being sold is being manufactured into either a top, yarn or fabric. It is most likely the reason that the market is trading within a fairly tight price range and clearance rates are steady.

With the season running against most areas of the country, the amount of wool being tested makes interesting reading. AWTA has tested 107.7 million kgs from July 1st to the end of October this year compared to 105 million kgs for the same time last year. Total lots are up 2.1%, total bales up 3.0% and total weight up 2.6%. And as a reminder of how wet it was in October last year and how it held wool harvesting up: October was up 16.1% for lots, 15.1% for bales and 14.0% for weight.

Wool sales work their way back to the Tuesday/Wednesday positioning with an offering of around 45,000 bales. Macwool and Carmichael Wool offer early on the second day of selling.

Southern Aurora Forward Prices

Micron	Date	Low
21	January 24	1380

Main Buyers (this week)

1	Techwool Trading	7731	2	Endeavour Wool	4836	3	Tianyu Wool	3502
4	PJ Morris Wools	3345	5	Pelican Australia	2687	6	Fox & Lillie	2490

Eastern Market Indicators (AUD cents/kg clean)
1128 cents ↓ 1 cent compared with 03/11/2023

Northern Market Indicators (AUD cents/kg clean)
1167 cents ↓ 2 cents compared with 03/11/2023

AUD/USD Currency Exchange
0.6414 ↑ 0.0083 cents compared with 03/11/2023