

AWEX Northern Micron Indices Comparison

AWEX INDEX	This Week S49/23	This Week M49/23	Last Sale S48/23	Sydney Change	Last Year Sydney	Sydney Yearly Change
17	1724	1719	1711	+13	2067	-343
18	1533	1543	1509	+24	1780	-247
19	1416	1422	1406	+10	1524	-108
20	1361	1352	1324n	+37	1393n	-32
21	-	1312	-	-	-	-
26	555n	566	-	-	-	-
28	375n	372	360n	+15	300n	75
MC	718n	724	714n	+4	756n	-38

Chinese Topmaker Backs Wool Industry.

The season's smallest offering to date (and by a fair margin) of just 26,897 bales saw an expected uptick in competition. With no Fremantle offering, all orders had to be filled from the East and almost everything saw increases, but it was more pronounced on well-measuring, low CVH wools (coefficient of variation of hauteur; more even in length after combing). It was also the fourth consecutive selling day of upward movement of the EMI.

At 1152, the EMI is almost bang on the season average, confirming even more that this year (with only three more selling weeks) is the most stable since the floor price. Whilst it is commonly agreed that we are bumping along at the bottom of this cycle, no one really has been game to predict when the upturn will commence. It is a given that production at best will hold and with the exception of fine wool the "bread and butter" types are just OK at around 5% down on last year.

Don reported from a meeting at AWI this week with China's second largest topmaker, Red Sun: they have a capacity of 250,000 bales per annum of which around 65% comes from Australia, about 9% of our clip. They have just completed an AUD\$300 million refurbishment from top to bottom of their scouring and combing plant situated about 100kms North of Shanghai. The main features of this refurbishment are the energy and effluent efficiencies (down 30/40%), and the much lower labour component (around 75-80% less workers) using robotics, AI technology and RFID tech to move wool around in driverless forklifts. Without a doubt this is the trend globally but particularly in Asia, including China, where populations are declining, and the workforce is ageing. It is predicted that both Japan and Korea within 50 years will see the average age of the population reach 65. China's one child policy combined with the fastest and largest urbanisation in history is on the same trend line to an ageing workforce and in order to stay competitive they have to automate industry to keep up or stay in front which is where Red Sun want to be. Red Sun believe the recovery will be next year but couldn't be drawn on whether it was early or late!

Next week around 33,500 bales are to be offered in three centres with MacWool/Carmichael offering 1,750 bales on Thursday.

We are calling on growers to donate wool, either oddments or a bale or two lower lines to be auctioned at one of our three special wool sales during the year. Your bale of oddments that might be worth \$400-\$500 could double that at the charity auction for such a cause, which is where Endeavour Wool Exports' contribution will come from. Please visit www.macquariehomestay.com.au to view this amazing facility. After the successful auction result at the Sydney Royal Easter Show, our next charity offering will be S03/24 during the week of the 15th of July. From one fleece to any number of bales donated we will, with your help, get to the \$65,000 that has been pledged to the second stage of building at the Macquarie homestay site.

Southern Aurora Forward Prices

Micron	Date	Low
21	August 2024	1295

Main Buyers (this week)

1	Techwool Trading	4888	2	Fox & Lille	2643	3	Australian Merino	2541
4	Endeavour Wool	2139	5	Tianyu Wool	1973	6	United Wool	1800

Eastern Market Indicators (AUD cents/kg clean)

1152 cents ↑ 15 cents compared with 31/05/2024

Northern Market Indicators (AUD cents/kg clean)

1195 cents ↑ 19 cents compared with 31/05/2024

AUD/USD Currency Exchange

0.6660 ↑ 0.0009 cents compared with 31/05/2024