



WEEKLY MARKET REPORT

Week Ending 8th October, 2021

AWEX Northern Micron Indices Comparison

AWEX INDEX	This Week S14/21	This Week M14/21	Last Sale S13/21	Sydney Change	Last Year Sydney	Sydney Yearly Change
17	2445	2484	2407	+38	1591	+854
18	2036	2095	2006	+30	1382	+654
19	1643	1645	1638	+5	1160	+483
20	1322	1332	1312	+10	1049	+273
21	1239	1232	1232n	+7	1010n	+229
26	-	720n	-	-	678n	-
28	418	430	427n	-9	469n	-51
MC	879	892	893n	-14	730n	+149

MARKET STANDING STILL!!

The market marked time this week as the AWEX EMI barely moved this series with only a 2 cent lift to 1339. In US\$ terms the rise just hit double digits - an 11 cent gain to 975 due to the FRX strengthening by .75 of a cent to 72.80 cents. Combing merino types benefitted the most from renewed competition but despite these recording reasonable gains the market was restricted to the barest upward movement with cardings and XBs falling. The makeup of the indicators is nowadays more reliant on a mixture of all types rather than merino fleece and skirtings as was the case in the old days. Finer microns were the most sought after with rises from 10 to 40 cents for <18 with some specialty lots up to 200 cents higher than the indicator. Coarser microns did get dearer but were restricted to 5 to 10 cent gains bar 19s which were in buyer's favour. There was no real change in the skirting market with the odd lot containing >4% VM a touch cheaper. As we said earlier, cardings fell with higher VM (5%) types dragging the market back as these lots lost 20 to 30 cents with each centre averaging a 12 cent fall. XBs continue to be out of favour losing around 10 cents with absolutely no end in sight to the misery they are in. The passed in rate was halved to 11% as growers welcomed the gains in fleece and skirtings. Total volume offered so far this season is up by 31% (102,800 bales).

News coming out of China continues to be mixed. From being very bullish about the market getting dearer, to now most talk is of consolidation. Top-makers continue to be cautious as power is being restricted or even rationed along with the Delta strain of Covid-19 still a major worry stifling demand. With other concerns about the ever increasing cost of transport (local and shipping) and wages eating into profits - the outlook for the first 6 months of 2022 is lukewarm at best. Tianyu (one of their largest processors) is using solar power to run its mill while Red Sun is relying on conventional power and only running at 30 to 40% capacity, about 3 days a week. Power disruptions and industries operating "part time" will be the norm till after the Winter Olympics as the government tries to clean up the air pollution around Shanghai with it being the entry point for the games to make the telecast "clean". Amazon is holding "single's day" soon which might see a boost in clothing sales with online selling going well. As the one child policy in China fades into history, children's wear could be the next big thing as families have 2 or 3 babies. Good news hopefully with new parents demanding higher quality clothing and premium brands.

Only a few ram sales to report on. Cassilis Park cleared all 100 rams to average \$2,570 with a top of \$8,250. Wyuna at Armatree sold 85% topping at \$1,800 to average \$1,250 and Egelabra sold all 190 rams to average \$4,790 with a top price of \$28,000. Market should be roundabout these levels next week.

Southern Aurora Fwd Prices

Micron	Date	Low
21	Dec. 21	1230

Main Buyers (this week)

1	Techwool Trading	4988	2	Tianyu Wool	4307	3	Fox & Lillie	2854
4	Sequoia Materials	2428	5	Endeavour Wool	2209	6	PJ Morris Wools	1098

Eastern Market Indicators (AUD cents/kg clean)
1339 cents ↑ 2 cents compared with 01/10/2021

Northern Market Indicators (AUD cents/kg clean)
1424 cents unchanged compared with 01/10/2021

AUD/USD Currency Exchange
0.7278 ↑ 0.0074 compared with 01/10/2021