

Wool Market Report

F07

Thursday, 15 August, 2019

National Commentary

The Australian wool market has had another tumultuous series, suffering further large losses after those experienced in the previous week. The suspension of wool auctions in South Africa reduced the overall global supply but this did little to bolster demand here in Australia. Major auction players were again absent and those buyers that were active continually reduced their buying basis, as they accumulated wool. The market opened with the prices generally 100 cents below those achieved at the previous sale. The lack of buyer

confidence meant that prices deteriorated as the series progressed. By the end of the first day prices had generally fallen by 110 to 140 cents, the AWEX Eastern Market Indicator (EMI) fell by 112 cents on the back of the losses, a reduction of 6.7%. In percentage terms this was the largest fall since 2008. The weakness continued on day two with the market unable to find a solid level, as buyers continued to lower their basis as the sale progressed. The EMI lost a further 51 cents, losing a total of 163 cents for the series, closing the week at 1513 cents. The EMI fell by 9.7% for the series, again the largest weekly fall since 2003. The last

time the EMI was at this level was June 2017. The highlight of the week, in an otherwise gloomy market was the good support for Non-Mulesed types. A small number of buyers competed strongly for these types, pushing them as much as 200 cents (clean) higher than similar types. The market downturn was met with very firm seller resistance, 16.7% of wool was withdrawn prior to sale, followed by a passed in rate of 35.8%, the highest figure since 2003. The Western region has a one-week recess next week, with only Sydney and Melbourne in operation the national offering reduces to 33,696 bales.

	This Week	Last 12 Months		
		<i>High</i>	<i>Low</i>	<i>Avg</i>
EMI	1513 -163	2116	1513	1912
Wst Ind	1598 -162	2279	1598	2056
18	1717 -160	2638	1717	2307
18.5	1709 -159	2536	1709	2265
19	1670 -194	2472	1670	2236
19.5	1658 -205	2423	1658	2209
20	1648 -212	2388	1648	2186
21	1648 -210	2357	1648	2170
MC	1044 -12	1602	981	1184

USD	67.84¢
▲	0.10¢
EUR	60.84¢
▲	0.42¢

Main Buyers (This Week)

1	TIANYU	891	24.1%
2	PJ MORRIS	766	20.7%
3	AUST. MERINO EXP.	296	8.0%
4	TECHWOOL TRADING	267	7.2%
5	FREMANTLE WOOL	238	6.4%
6	WEST COAST WOOL	231	6.2%
7	LEMPRIERE AUST	201	5.4%
8	MICHELL P/L	151	4.1%

Indicative Prices

Mic.	Grsy ¢	MM	Nkt	Vmb	Yield	AWEX-ID
Merino Fleeces						
16.9	1,160	90	34	0.5	65.5	MF5E.
17.5	1,205	86	43	0.8	66.9	MF5E.F1
18.2	1,150	95	43	1.6	67.2	MF5S. (BOLD)
18.6	1,133	88	39	1.8	67.6	MF5S.
18.8	1,127	90	30	0.5	68.0	MF5E.
19.4	1,130	95	33	0.7	67.8	MF5E.F1
19.9	1,191	81	28	0.6	72.7	MF4E.H1
20.4	1,091	94	38	0.7	66.8	MF5E.
20.9	1,127	94	42	1.2	67.5	MF5S.
21.7	1,104	89	45	1.5	66.5	MF5S.
Merino Skirtings						
17.4	900	84	27	3.4	56.6	MP5S. (PFS)
19.3	911	70	26	2.4	54.4	MP5B.
Merino Locks						
19.7	539			2.4	58.0	MZ5S.
Merino Crutchings						
21.7	608			2.8	59.0	MC5S.

