

Wool Market Report

F09

Thursday, 29 August, 2019

National Commentary

The Australian wool market has continued its sharp decline again this week. 26,420 bales were offered, this was down from the originally rostered figure of 33,046 bales, after 18% was withdrawn prior to sale. Of what was left available to the trade, 34.9% failed to reach seller reserve. Due to the rapid downturn, exporters have been finding it very difficult to trade. Buyer confidence has been severely dented by the falling market. This series as buyers accumulated wool, they continually reduced their basis. This resulted in the market being unable to find a solid level and prices were

consistently reduced as the week progressed. The continual fall in prices pushed the Micron Price Guides (MPGs) generally down between 100 and 170 cents, 18.5 micron and finer were least affected as buyers looked to secure finer wools. The AWEX Eastern Market Indicator (EMI) lost 122 cents for the week, closing at 1,375 cents. Over the previous four sales the EMI has fallen by a total of 379 cents, a fall of 21.6%. Compared to the corresponding sale of the previous season the EMI has now fallen 715 cents or 34.2%. The crossbred sector was the best performing sector again this week, although it was unable to record gains, instead it posted general losses of

between 5 and 25 cents. The small movement in the crossbreds again prevented the EMI from retreating further than it did. The cardings have also suffered large corrections, Sydney and Melbourne experienced losses of 90 to 140 cents, Fremantle coming back from a one-week break lost over 200 cents. All three Merino Carding Indicators have now lost close to half their value in 12 months. Due to the current uncertainty in the market, more sellers are adopting a "wait and see" approach, next week's national offering is currently 29,061 bales, with all three centres in operation.

	This Week	Last 12 Months		
		High	Low	Avg
EMI	1375	2094	1375	1884
Wst Ind	1416 -182	2256	1416	2036
18	1603 -114	2638	1603	2284
18.5	1582 -127	2536	1582	2244
19	1549 -121	2434	1549	2215
19.5	1507 -151	2369	1507	2188
20	1477 -171	2347	1477	2165
21	1473 -175	2334	1473	2149
MC	843 -201	1602	843	1168

USD	67.29¢
▼	-0.54¢
EUR	60.70¢
▼	-0.43¢

Main Buyers (This Week)

1	TIANYU	702	18.2%
2	PJ MORRIS	673	17.5%
3	TECHWOOL TRADING	499	12.9%
4	WEST COAST WOOL	441	11.4%
5	FREMANTLE WOOL	387	10.0%
6	FOX & LILLIE	305	7.9%
7	ENDEAVOUR WOOL EXP.	162	4.2%
8	SCANLAN WOOL	128	3.3%

Indicative Prices

Mic.	Grsy ¢	MM	Nkt	Vmb	Yield	AWEX-ID
Merino Fleeces						
16.8	1,025	97	33	2.0	65.8	MF5S.
17.7	1,046	82	32	0.4	68.9	MF5E.
18.2	1,040	78	43	0.3	65.3	MF5E.
18.5	1,085	82	41	1.5	66.5	MF5S.
18.8	1,051	103	29	0.5	69.2	MF5E.
19.4	1,085	83	31	0.6	70.9	MF5E.
20.0	1,055	89	39	0.8	69.9	MF5S.
20.6	1,019	85	41	0.5	68.3	MF5E.
21.0	1,006	89	38	0.5	67.6	MF5E.
Merino Skirtings						
17.1	751	80	27	3.4	55.3	MP5S.
18.0	829	77	34	2.5	61.9	MP4B.
18.8	793	76	29	1.0	56.2	MP5S.
Crossbred Lambs						
22.6	649	47		0.2	70.3	XLF5E.
Merino Crutchings						
21.0	541			2.8	58.1	MC5B.

