

MICRON INDICES COMPARISON

Source AWEX Wooltrak

AWEX INDICATOR	This Week 30/08/19	Last Week 23/08/19	Change	Last Year 31/08/18	Yearly Change
17	1819	1923	-104	2924	-1105
18	1754	1860	-106	2639	-885
19	1611	1734	-123	2426	-815
20	1504	1681	-177	2302	-798
21	1503	1675	-172	2283	-780
22	1486	1675	-189	2282	-796
23	NQ	NQ	0	2214	0
24	NQ	NQ	0	2103	0
25	NQ	NQ	0	1814	0
26	1133	1148	-15	1548	-415
28	846	855	-9	980	-134
30	698	701	-3	719	-21
32	464	469	-5	490	-26
MC	795	930	-135	1592	-797

The wool market fell sharply again this week, continuing a horror run since sales resumed following the winter recess. The EMI closed 122 cents lower after savage falls in all merino categories including skirtings and cardings. The crossbred sector was the only section of the market to escape the week with minimal change. Prices fell from the first lot on the opening day and continued to fall throughout the day. The same process was repeated on Thursday. This was despite more than 18% of the offering being withdrawn prior to sale and 35% of the remaining offering failing to meet seller reserves. Of the 26,420 bales offered, only 17,221 bales were cleared to the trade. Sales are still suspended in South Africa so there was very little wool sold globally for the week. The merino fleece indicators finished the week anywhere from 75 to 175 cents lower with the greater falls in the medium types. Skirtings fell consistently throughout the week. We sold first on Wednesday and had the best of both the fleece and skirting markets – only by selling first in a falling market. Crossbreds had a fantastic week in comparison to the merino types falling only a few cents. Cardings fell heavily on both days, finishing the week 135 cents lower. The carding indicator has fallen more than 200 cents in a fortnight and is at its lowest level in five years.

Next week, only 29,000 bales are on offer nationally. Receivals are certainly lower due to seasonal conditions and growers are waiting for a change in market sentiment before offering wool, resulting in small offerings. The Nanjing wool conference is on in three weeks and this generally generates sales activity as exporters are face to face with their Chinese customers. In addition, the fabric and yarn trade fairs have concluded, and this is also a catalyst for increased activity as orders are pushed down the supply chain. The market needs a mill or number of mills to take a position in the market so that it can find a level of support and build confidence. A resolution of the US China trade war or moves towards a deal will also help renew confidence

FORWARD PRICES (Supplied by Riemann's) 30/08/2019

	18.0	19	19.5	21	28	30
AUCTION	1754	1611	1534	1503	846	698
Oct-19	NQ	1650	NQ	1620	780	NQ
Dec-19	NQ	1640	NQ	1600	750	NQ
Feb-20	NQ	1600	NQ	1570	NQ	NQ
Apr-20	NQ	NQ	NQ	NQ	NQ	NQ
Jun-20	NQ	NQ	NQ	NQ	NQ	NQ
Aug-20	NQ	NQ	NQ	NQ	NQ	NQ

MAJOR AUCTION BUYERS (Bales)

1	Techwool Trading	2,343	2	Tianyu	2,169	3	Endeavour Wool	1,629
4	Fox & Lillie	1,608	5	G. Schneider	1,164	6	P.J. Morris	938
7	Aust Merino Exp	845	8	New England Wool	672	9	Michell P/L	548

Market Indicators compared with 23/08/19

EASTERN 1375¢/kg ▼122
SOUTHERN 1356¢/kg ▼121

Three Week Forecast

Week 10	02/09/19	31,175
Week 11	09/09/19	30,634
Week 12	16/09/19	35,215