

MICRON INDICES COMPARISON

Source AWEX Wooltrak

AWEX INDICATOR	This Week 20/03/20	Last Week 13/03/20	Change	Last Year 22/03/19	Yearly Change
17	1848	1994	-146	2458	-610
18	1757	1888	-131	2383	-626
19	1662	1780	-118	2317	-655
20	1647	1753	-106	2282	-635
21	1645	1736	-91	2282	-637
22	1643	1754	-111	2274	-631
23	NQ	NQ	0	2256	0
24	NQ	NQ	0	NQ	0
25	NQ	NQ	0	NQ	0
26	1095	1138	-43	NQ	0
28	870	880	-10	1159	-289
30	688	679	+9	929	-241
32	421	411	+10	608	-187
MC	1001	1081	-80	1151	-150

The wool market suffered further falls as the ongoing spread of Coronavirus throughout the world impacted confidence. Massive volatility on global equity markets, lock down in many counties, borders closing and the various reactions of governments around the world all contributed to a negative outcome in the sale room. The EMI fell 83 cents to close at 1438 cents. Even a collapsing currency did nothing to assist our market. The currency fell from 64 cents US a week ago to just over 55 cents yesterday – so when you look at the EMI in US dollar terms it fell 18%, versus a 5.4% fall in Aussie dollar terms. In the merino fleece section, prices fell over each of the three selling days from 25 to 50 cents each day depending on micron. Some of the inferior types (over long, higher VM, weak, high mid break) lines were heavily discounted as buyers ensured deliveries met minimum quality standards. The low yielding fleece types, particularly those yielding under 55%, were singled out and severely discounted as the supply of these types continues to increase. By the close yesterday all merino indicators closed from 90 to 150 cents clean lower, despite ongoing seller resistance. The original offering of 50,000 bales was reduced to only 41,000 bales as growers withdrew significant quantities prior to sale and more than 26% of the final offering was passed in. Merino skirtings followed the fleece lower and again buyers searched for quality. Lots containing fault (heavy VM, cott, jowl, colour) were discounted and in some cases neglected. Crossbreds were supplied in reasonable volume and prices for most of the better crossbreds remained generally unchanged. Rodwells had a very large catalogue of crossbreds and competition was generally very strong. Again, the better quality lots were well supported while some of the heavy colour fleece lines and crossbred skirting lines with cott and colour were overlooked. Cardings closed lower for all types. The merino carding sector had been well supported until this week when prices moved sharply lower. Crossbred cardings lack support, especially those broader than 25 micron displaying kemp.

Next week, 50,000 bales are on offer nationally. A strong finish in Fremantle yesterday was encouraging with prices improving by as much as 30 cents. Processors must have been tempted to buy with prices in US dollar terms presenting great value. There were even a few bids in the forward market for the spring!

FORWARD PRICES (Supplied by Riemann's) 20/03/2020

	18.0	19	19.5	21	28	30
AUCTION	1757	1662	1661	1645	870	688
Apr-20	NQ	NQ	NQ	NQ	NQ	NQ
Jun-20	NQ	NQ	NQ	NQ	NQ	NQ
Aug-20	NQ	1570	NQ	1490	NQ	NQ
Oct-20	NQ	1550	NQ	1470	NQ	NQ
Dec-20	NQ	NQ	NQ	NQ	NQ	NQ
Feb-21	NQ	NQ	NQ	NQ	NQ	NQ

MAJOR AUCTION BUYERS (Bales)

1	Techwool Trading	4,172	2	Tianyu Wool	3,671	3	Endeavour Wool	3,227
4	Aust Merino Exp	2,676	5	Fox & Lillie	2,415	6	Kathaytex	2,210
7	Pelican Aust	1,386	8	P.J. Morris	1,326	9	Michell P/L	1,231

Market Indicators compared with 13/03/20

EASTERN 1438¢/kg ▼83
SOUTHERN 1418¢/kg ▼80

Three Week Forecast

Week 39	23/03/20	49,874
Week 40	30/03/20	40,552
Week 41	06/04/20	40,535