

MICRON INDICES COMPARISON

Source AWEX Wooltrak

AWEX INDICATOR	This Week 06/03/20	Last Week 21/02/20	Change	Last Year 08/03/19	Yearly Change
17	2058	2078	-20	2506	-448
18	1943	1963	-20	2428	-485
19	1799	1848	-49	2365	-566
20	1782	1796	-14	2330	-548
21	1766	1779	-13	2295	-529
22	NQ	1789	0	2303	0
23	NQ	NQ	0	NQ	0
24	NQ	NQ	0	NQ	0
25	NQ	NQ	0	NQ	0
26	1153	1145	+8	1449	-296
28	881	881	0	1165	-284
30	676	675	+1	945	-269
32	408	408	0	601	-193
MC	1108	1125	-17	1192	-84

The wool market recommenced trading this week after last week's cancellation due to the malware virus attack on the wool industries main software supplier was resolved. Sales due to recommence on Tuesday in Melbourne were postponed as issues continued and not all participants could operate. This was actually a blessing as the total catalogue of 70,000 bales could never have been sold and absorbed by the trade given the difficulties with payments and shipping over the last few weeks. The technology failure completely shut down wool movements from wool stores, including ours, to dumps and onto ports for more than a week. Wool payments are generally made as the container is loaded and the ship sails towards its destination. This has impacted the financial capacity of some buyers to operate fully.

The market opened on Wednesday (slightly delayed start) and all buyers participated. The market opened reasonably well given the difficult week and the better types were dearer. Inferior types drifted lower in the opening hour before firming during the middle of the sale. However, the large sale volume saw a reduction in competition as the sale progressed as buyers simply ran out of orders and cash. By the close on the first day prices were generally 10 cents lower in the finer types which dominated the selection while a limited offering of medium types closed a little dearer. The generally weaker trend moved through to Fremantle on Wednesday and continued in Melbourne yesterday. Prices fell by 15 to 40 cents and growers resisted the falling market by passing in significant volumes. Overall, more than 39% (6880 bales) of the offering was passed in or withdrawn yesterday and this helped support a market that struggled to cope with the 62,166 bale offering (the largest weekly offering since 2008).

Next week, 47,000 bales are on offer nationally. The resumption of shipping this week, coupled with a more manageable volume should assist the market. However, the market remains in a delicate state given the financial pressure placed on buyers in recent weeks.

FORWARD PRICES (Supplied by Riemann's) 06/03/2020

	18.0	19	19.5	21	28	30
AUCTION	1943	1799	1797	1766	881	676
Apr-20	NQ	1770	NQ	1750	NQ	NQ
Jun-20	NQ	1750	NQ	1720	NQ	NQ
Aug-20	NQ	NQ	NQ	NQ	NQ	NQ
Oct-20	NQ	NQ	NQ	NQ	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	8,614	2	Fox & Lillie	4,937	3	Endeavour Wool	4,531
4	Tianyu Wool	3,782	5	Seatech Ind	3,563	6	Aust Merino Exp	2,608
7	P.J. Morris	2,233	8	United Wool	2,173	9	Meliwa P/L	1,937

Market Indicators compared with 21/02/20

EASTERN 1562¢/kg ▼19
SOUTHERN 1536¢/kg ▼22

Three Week Forecast

Week 37	09/03/20	46,680
Week 38	16/03/20	34,393
Week 39	23/03/20	not announced