



Offering—Aust. only		Currency movements			Eastern Market Indicator (EMI)			
Bales offered	33,176	AUD:USD	0.7249	+ 1.84 %	AUD	945 ac/kg	- 59 ac/kg	- 5.88 %
Passed-In %	25.7 %	AUD:CNY	5.0178	+ 1.45 %	USD	685 usc/kg	- 30 usc/kg	- 4.14 %
Bales Sold	24,639	AUD:EUR	0.6073	+ 0.02 %	CNY	47.42 ¥/kg	- 2.24 ¥/kg	- 4.51 %
Season Sold	144,681	RBA close rates 19th Aug 2020			EUR	5.74 €/kg	- 0.36 €/kg	- 5.86 %

AWI Market commentary **12 months weekly EMI close as at 19th August 2020**

Wool prices were unable to maintain the more stable pattern set at last weeks auctions and depreciation across all types and descriptions occurred this week. As a result, clearance rates were way down compared to last week with just 74% of the offered quantity meeting the grower reserves.

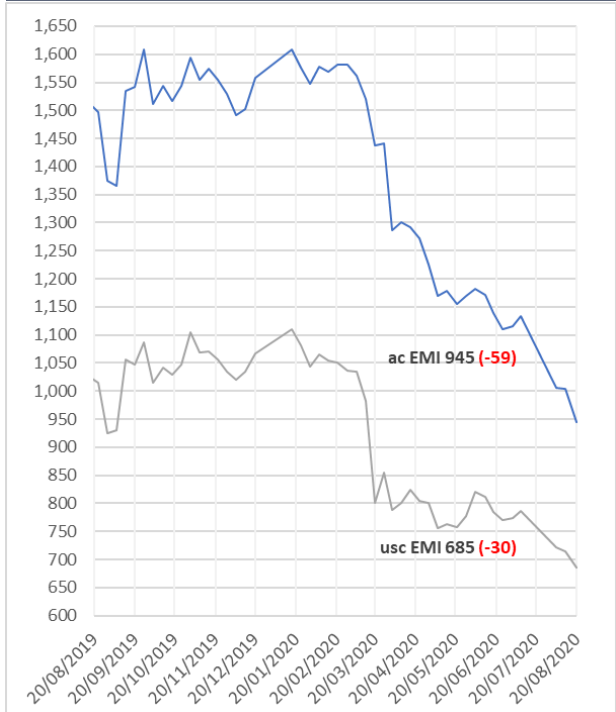
The EMI (eastern market indicator) dropped 5.9% to 945ac cln/kg but the stronger AUD (+1.8%) had the US prices faring better in comparison, but still 4.1% was eliminated from that indicator to close at 685usc cln/kg. Wool prices expressed using the EMI as a guide have fallen to the levels of September 2012 in AUD and in USD ,levels of August 2009.

Chinese top makers dominated the Merino sector this week. The major European top maker dominated the crossbred segment. As prices retreated, more and more wool often sold under just limited top maker competition, particularly the dwindling supply of lower yielding drought-affected wools. The carding processors were also active as prices lowered and reasonable competition ensued with merchants of these types.

Local and foreign traders generally fled to safety with just sold orders needing completion or the easier traded types coming under their buying scrutiny. Some operators chose to sit out again and not compete due to their lack of holding firm orders and more-so that speculation is not part of the psyche of the modern day trader currently.

Compared to last season at the same time, almost 7% more wool has been sold to the trade even though prices are 37% lower. The next three weeks has 31% more wool forecast to sell than the same period last year.

Next week just Melbourne and Sydney are selling as WA sits out as this was the “wool week” scheduled event which is now COVID cancelled.



Scheduled Australian Wool Auction Sales		
Sale week	2020/21 est.	2019/20 actual
Week 9	23,687 bales	25,295 bales
Week 10	34,809 bales	21,694 bales
Week 11	28,343 bales	19,193 bales

Riemann wool forwards			
Sept '20	18.5 micron	1185 ac cln dry	5t
Sept '20	19 micron	1075 ac cln dry	5t
Sept '20	21 micron	1020 ac cln dry	5t
Oct '20	19 micron	1075 ac cln dry	5t
Oct '20	21 micron	1060/70 ac cln dry	10t
Nov '20	19 micron	1120/40 ac cln dry	15t
Dec '20	17 micron	1460 ac cln dry	5t

AWPFC August 2020 production forecast
 Australian shorn wool production stabilises in 2020/21. Full report available at www.wool.com

- The Australian Wool Production Forecasting Committee’s second forecast of shorn wool production in 2020/21 is 280 mkg greasy, down 1.1% on 2019/20. The season has significantly improved over the last few months in many wool growing regions, compared with the previous year or more. This is offset by lower sheep shorn numbers in all states except Victoria and Tasmania and continuing dry to drought conditions in Western Australia, central Queensland and the pastoral region of South Australia

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