



WOOL MARKET WEEKLY REPORT

Sale Week 12: 18th Sept 2020



Offering—Aust. only		Currency movements			Eastern Market Indicator (EMI)			
Bales offered	26,212	AUD:USD	0.7311	+ 1.19 %	AUD	937 ac/kg	+ 47 ac/kg	+ 5.28 %
Passed-In %	5.8 %	AUD:CNY	4.9502	+ 0.02 %	USD	685 usc/kg	+ 42 usc/kg	+ 6.53 %
Bales Sold	24,702	AUD:EUR	0.6172	+ 0.64 %	CNY	46.38 ¥/kg	+ 2.33 ¥/kg	+ 5.30 %
Season Sold	226,600	RBA close rates 16th Sept 2020			EUR	5.78 €/kg	+ 0.32 €/kg	+ 5.95 %

AWI Market commentary

12 months weekly EMI close 16th Sept. 2020

Stronger prices across the board this week at the Australian wool auctions. Prices began to head up from the opening lot and then gathered momentum throughout selling to close the week at the highest point and most vigorous of activity. All sections of Chinese industry were active as were a few European orders from both forward sellers and indenting top makers.

The Eastern Market Indicator (EMI) added 47ac or 5.3% to push to 937ac clean/kg. Even more promising is that the USD EMI by the close hit levels of 6.5% higher or 42usc to 685usc cln/kg. That extra one per cent gain came about due to a stronger AUD against the USD, a movement which can usually act bearishly upon a market.

The confidence that has buoyed the market for the past two weeks has largely arisen from fresh business opportunities and conversion of that interest and enquiry into firm orders. Prior to last week, the auction scene had been deprived of any spark of optimism for a six week period.

During that time, speculative stock buying was near to non-existent and the limited volume of contracts needing to be shipped had been easy to fulfil. Buyers were given very little reason to push to buy as business was slim to nothing as the market fell to the lows of 858ac two weeks ago. That buy in level has not been available to manufacturers or traders since the end of November 2009.

Superfine (less than 18.5micron) Merino types were the most sought this week and all types appreciated by around 100ac. Fine and medium (broader than 18.5mic) Merino descriptions were by no means neglected and recorded gains of 45 to 60ac. Skirtings followed a similar price rise trend as their fleece counterparts. Cardings and crossbreds gained 30ac for the week.

Many positives arose this week but the strength of the WA Fremantle market was the standout. Most of the wools there sold above and beyond that of the Eastern Australian centres to the order of 5 to 20ac. These results flowed on from the strong finish prior in Melbourne and Sydney which had some individual lots well over 100ac dearer for just the day.

Next week sees all three auction centres in operation once more in a similar roster. Fremantle Wednesday only. 25,000 bales are available nationally.



Riemann wool forwards

Scheduled Australian Wool Auction Sales

October '20	19 micron	1055 ac	5t
October '20	19.5 micron	1010 ac	5t
January '21	19 micron	1005ac	2.5t

Sale week	2020/21 est.	2019/20 actual
Week 13	25,030 bales	27,458 bales
Week 14	30,111 bales	33,548 bales
Week 15	31,821 bales	28,149 bales

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