

# WOOL MARKET WEEKLY REPORT

Sale Week 10: 3rd Sept 2020



Offering—Aust. only		Currency movements			Eastern Market Indicator (EMI)			
Bales offered	27,155	AUD:USD	0.7360	+ 2.32 %	AUD	858 ac/kg	- 71 ac/kg	- 7.64 %
Passed-In %	20.6 %	AUD:CNY	5.0257	+ 1.19 %	USD	631 usc/kg	- 37 usc/kg	- 5.50 %
Bales Sold	21,549	AUD:EUR	0.6181	+ 1.09 %	CNY	43.12 ¥/kg	- 3.02 ¥/kg	- 6.55 %
Season Sold	183,355	RBA close rates 2nd Sept 2020			EUR	5.30 €/kg	- 0.38 €/kg	- 6.68 %

## AWI Market commentary

Price falls across all types and descriptions resulted at the Australian wool auctions this week. Significant losses were the order of the day. The EMI (eastern market indicator) fell away by 7.6% to 858ac cln/kg and the USD EMI losses were less in magnitude due to the forex (foreign exchange) rate but still heavy as that indicator depreciated 5.5% to 631 usc cln/kg.

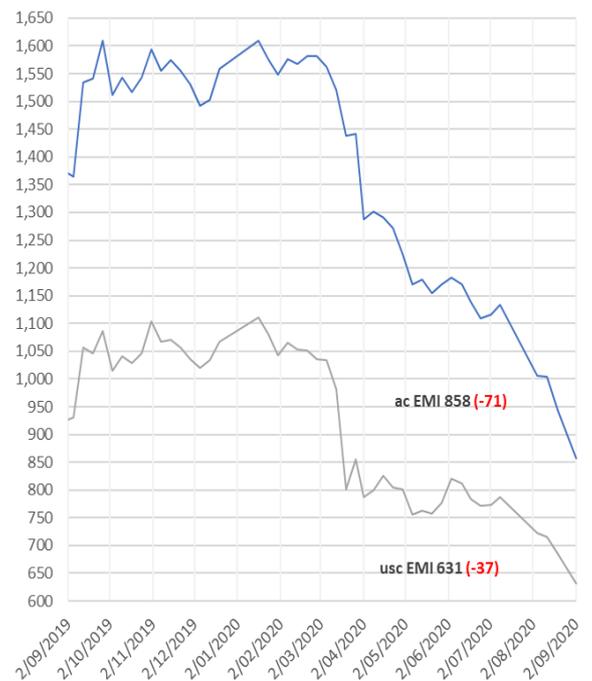
As prices lowered, the passed-in rate lifted. Approximately 1 in 5 bales or 20.6% of the total offering had been unable to meet the sellers expectations for the week. Interesting to note is the high passed in rate of almost 36% contained within the crossbred sector. Vendors of merino skirtings (11% passed in) are tending to meet the market and to a lesser extent (18%) so are the owners of the oddments/cardings wools. Merino fleece types were passed in at basically the weeks average rate.

Compared to the same time period of last season (week 10) the first seven weeks of this season has seen 11,680 bales or 6.4% more wool sold to the trade. This is despite the average prices being 37% lower in comparison year on year and the fact that almost 18% less wool has been tested so far this season (see latest AWTA figures below).

Local traders came to the forefront of buyers lists this week and the Merino fleece sector was where their sights were set. The top two exporters were by no means dominant. Chinese top makers and indent operators added some competition, particularly on the final day. Top makers purchased the majority of crossbreds and the merino skirtings sold, whilst the greasy traders of cardings outbid the processors on that selection.

Next week has all three Australian centres operating to a scheduled offering of around 23,000 bales, but both Sydney and Fremantle will be just single day sales.

## 12 months weekly EMI close as at 2nd Sept. 2020



## Riemann wool forwards

Month	Micron	Price (ac)	Volume (t)
September '20	19 micron	1010 ac	4t
September '20	21 micron	875 to 945 ac	23t
October '20	19 micron	950 ac	5t
October '20	21 micron	850 to 925 ac	15t
January '21	19 micron	1060 ac	10t
March '21	30 micron	380 ac	5t
April '21	18 micron	1200 ac	5t

## Scheduled Australian Wool Auction Sales

Sale week	2020/21 est.	2019/20 actual
Week 11	23,120 bales	19,193 bales
Week 12	31,465 bales	30,135 bales
Week 13	26,854 bales	27,458 bales

## AWTA Key Test Data Summary August 2020

- The monthly comparisons of total weight tested for August 2020 compared with the same period last season shows 20.1% less wool tested.
- The progressive comparison of total weight for July 2020 to August 2020 compared with the same period last season has 17.7% less wool tested cumulatively.
- AWTA Ltd has tested 31.4 mkg (million kilograms) this season compared with 38.2 mkg for the equivalent period last season.

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