

WOOL MARKET WEEKLY REPORT

Sale 09: Fri 30th Aug 2024



Sept conferences - Italy - Natural Fibre Connect (16th to 20th) & China - Nanjing Wool Market (23rd to 25th)

2024/25 Aust. wool offering		Weekly currency movements			Eastern Market Indicator (EMI)			
Bales offered	36,996	AUD:USD	0.6789	+ 0.70 %	AUD	1087 ac/kg	- 26 ac/kg	- 2.34 %
Clearance rate %	88.3 %	AUD:CNY	4.8426	+ 0.70 %	USD	738 usc/kg	- 12 usc/kg	- 1.66 %
Bales Sold	32,677	AUD:EUR	0.6093	+ 0.48 %	CNY	52.64 ¥/kg	- 0.88 ¥/kg	- 1.65 %
Bales sold season	184,623	RBA close rates 28th Aug 2024			EUR	6.62 €/kg	- 0.13 €/kg	- 1.87 %

AWI Market Commentary

Australian wool auctions continued to the current trend this week by all types and descriptions meandering downward, albeit in a seemingly semi controlled fashion. Prices within the Merino fleece and skirting sector were subjected to falls of between 25 to 35ac with all micron categories similarly affected. The crossbred wools and carding and oddment wools were all around 10ac lower in AUD terms, but interestingly quite firm when priced in USD for overseas delivery.

Machinery demand remains as the almost exclusive price determining and buying volume factor. This has been the inclination for the past few months now. The two major Chinese top makers purchased almost a third of this week's offering again, perhaps indicative of that scenario, rather than an abundance of wool tops sold.

Towards the end of selling this week, Australia's largest wool trading house did up their ante somewhat and re-appeared to near their normal positioning as the largest purchasing entity. Their nearest trading competitor though again maintained their more consistent and regular buying pattern of the past few weeks and remained in the top four of the differing type sectors, providing the necessary competition to the first stage manufacturers.

With such a sluggish demand scenario remaining in play, it is of no help at all to see the Australian dollar (AUD) versus the US dollar (USD) and other currencies used in the wool trade go against the local auction AUD price once again. The AUD forex rates strengthened around 0.5 to 0.8% against all the majors, which obviously makes it hard for offshore based funds to turn the local Australian wool auction market prices to the sellers favour.

The 2023/24 season export data from the ABS (Australian Bureau of Statistics) has been finalized. Chinese import of Australian wool was dominant at 86.4% of volume and 84.1% of A\$ value of all Australian wool exports. This is an increase in market share by volume of 4.7% but 6.4% more of the total A\$ export value.

India received around 5.1% of the export volume and value which is a 22.5% decrease year on year in both measurements. Italy was next in line by importing 2.6% by volume but jumped to 4.9% of the value, influenced by the Italian predisposition to buying a high proportion of the top end of the wool types. By volume Italy is 28.8% lower and 30.3% lower by A\$ value year on year.

Next week sees a much lower volume of 33,000 bales to be auctioned.

Scheduled Australian wool at auction offerings		
Sale week	2024/25 est.	2023/24 actual
Week 10	33,830 bales	39,851 bales
Week 11	38,075 bales	39,323 bales
Week 12	Est 38,400 bales	40,520 bales

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Western Market Indicator (WMI)

AUD	1223 ac/kg	- 25 ac/kg	- 2.00 %
USD	830 usc/kg	- 11 usc/kg	- 1.32 %

12 month Market Indicators 28th Aug 2024

