

# WOOL MARKET WEEKLY REPORT

Sale 03 : Thurs 18th July 2024



**WOOL GROWERS - can we please have your assistance in AWI research? - [wool.com/getinvolved](http://wool.com/getinvolved)**

2024/25 Aust. wool offering		Weekly currency movements			Eastern Market Indicator (EMI)			
Bales offered	27,519	AUD:USD	<b>0.6736</b>	<b>-0.12 %</b>	AUD	<b>1107 ac/kg</b>	= ac/kg	= %
Clearance rate %	86.4 %	AUD:CNY	4.8952	<b>-0.23 %</b>	USD	746 usc/kg	<b>-1 usc/kg</b>	<b>-0.12 %</b>
Bales Sold	<b>25,225</b>	AUD:EUR	0.6177	<b>-0.91 %</b>	CNY	54.19 ¥/kg	<b>-0.13 ¥/kg</b>	<b>-0.23 %</b>
Bales sold season	83,584	RBA close rates 17th July 2024			EUR	6.84 €/kg	<b>-0.06 €/kg</b>	<b>-0.91 %</b>

## AWI Market Commentary

The leading indicators had minimal, to zero, price movement at this week's Australian wool auctions, yet a rather erratic market situation had unfolded throughout selling. Auctions were conducted in just the two Eastern centres as Fremantle lacked the necessary volume to hold a sale. The Australian dollar had strengthened against the US dollar since the close of selling the previous week which had the combined effect of dampening selling opportunities and reducing any available bid prices back to exporters.

Markets opened weakly across all type sectors. Buyers initially lacked enthusiasm and were prepared to let the market drift. No immediate demand signals for new business was forthcoming and most forward seller buyers looked to try and extract every cent possible on any outstanding contracts.

On the other hand, though, China's largest two top makers dominated the Merino segment on opening day, taking advantage of not just the good selection of new season wools on offer and the more attractive pricing, but also of the weaker AUD which had fallen 40 points or 0.5% overnight Monday. These two mills purchased a combined 39% of the Sydney Merino fleece and 25% of the Merino fleece sold in Melbourne on the first day.

The second and final day of selling though was in complete contrast. Competition had suddenly ignited, particularly in Sydney. Merino fleece prices were all dearer. Almost all buyers were forcing the pace and looking to acquire some volume. Next week should determine the validity or not of these gains.

For the past month, it has been very difficult for the trader buyer exporters to get into a buy/sell rhythm. The demand situation has been consistent, yet below "normal" activity from China, but rather frail from all other export destinations for Australian wool. Indian buying remains sporadic and largely reliant upon indent operations and the odd forward commitment. Continental European buyers are seemingly content with heading into their summer holiday season and perhaps look at any further inventory in the Australian spring.

One large positive seen in the market has been the buying from Europe's two biggest top makers over the past couple of sale weeks. Whilst very type and volume restricted buying with NM lots and lower vegetable matter wools being targeted, this purchasing has placed some sale room pressure against other buyers helping at least maintain price levels in those areas.

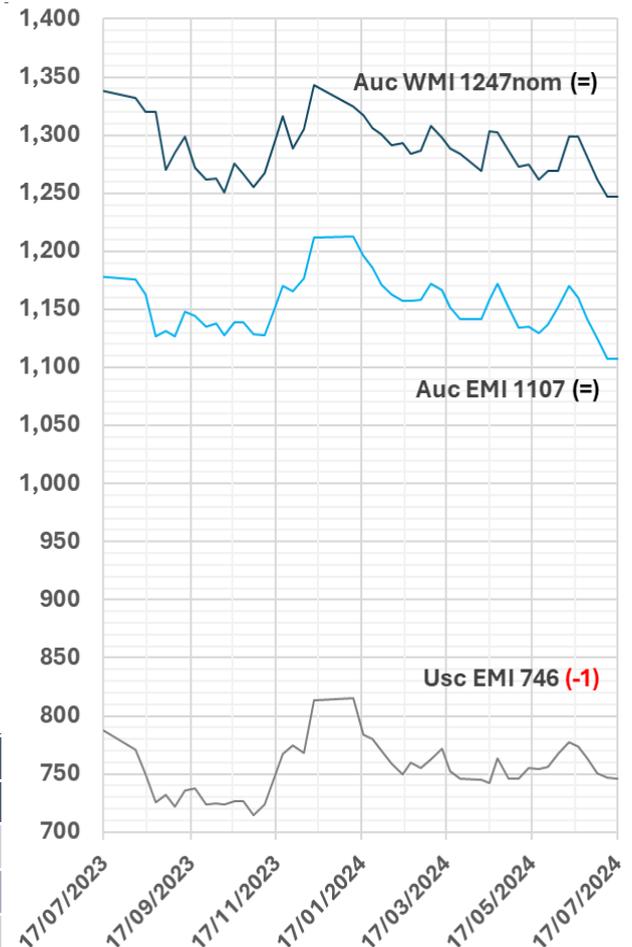
Next week has 33,000 bales rostered to sell in the last sale for a month.

Scheduled Australian wool at auction offerings		
Sale week	2024/25 est.	2023/24 actual
Week 4	<b>33,564 bales</b>	RECESS
Week 5	RECESS	RECESS
Week 6	RECESS	49,029 bales

## Western Market Indicator (WMI)

AUD	<b>1247n ac/kg</b>	NO SALE	
USD	840n usc/kg		

## 12 month Market Indicators 17th July 2024



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