



Offering—Aust. only		Currency movements			Eastern Market Indicator (EMI)			
Bales offered	52,290	AUD:USD	0.7751	+ 2.47 %	AUD	1172 ac/kg	+ 15 ac/kg	+ 1.30 %
Passed-In %	10.3 %	AUD:CNY	5.0154	+ 1.36 %	USD	908 usc/kg	+ 33 usc/kg	+ 3.80 %
Bales Sold	46,578	AUD:EUR	0.6379	+ 2.59 %	CNY	58.78 ¥/kg	+ 1.53 ¥/kg	+ 2.67 %
Season Sold	658,664	RBA close rates 14th Jan 2021			EUR	7.48 €/kg	+ 0.29 €/kg	+ 3.92 %

AWI Market commentary

This week saw the first Australian auctions for the 2021 year and the results were very encouraging. Fears of the large volumes and a significantly stronger AUD against all major currencies placing negative influence upon the market did not materialize or dampen buyer enthusiasm. Prices were generally dearer across the offering and all sale room operators were strongly active either throughout selling or at various stages of the week.

The Eastern Market Indicator (EMI) gained 15ac or 1.3% for the week to close the opening sale for the second half of the season at 1172ac clean/kg. The USD EMI shot further upwards with a contributing value add occurring from the 2.5% stronger AUD v USD forex rate since the last sale before the Christmas recess. The USD EMI closed at 908usc clean/kg, a 3.8% gain of 33usc to climb above 900usc for the first time since early March 2020.

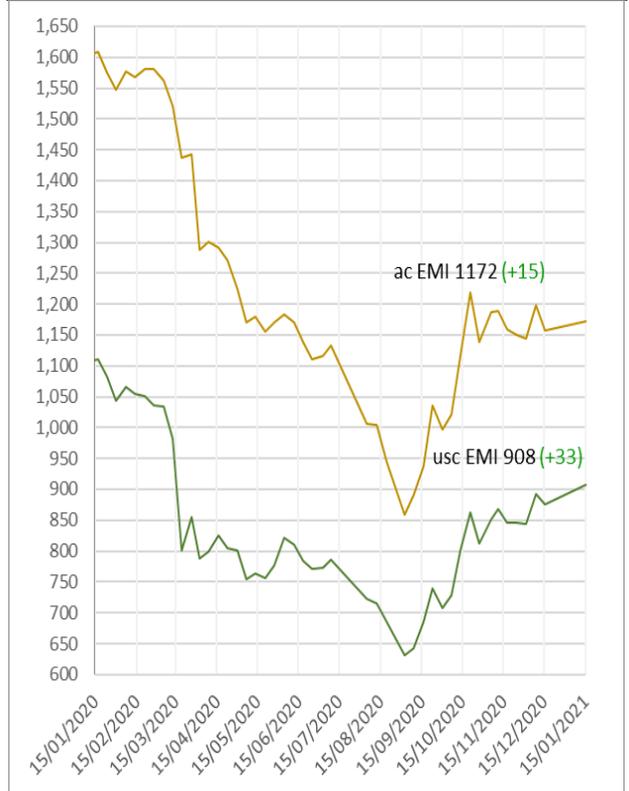
The pre sale banter was strangely wide of the mark, as most buying pundits were expecting flat to cheaper wool prices. Several economic factors including the previously mentioned unfavourable foreign exchange rates and large volumes scheduled for all of January pointed to such conclusions being made. Exporters did report new business was done but not enough volume had been written or at price levels that would warrant the subsequent price results that eventuated.

Of most interest to the trade this week were super fine Merino types finer than 18.0 micron. The vastly improved seasonal conditions across most of Australia and breeding decisions over recent years has led to less availability of those types. On the Chinese processors side, the current lack of the usual strong buying from Europe and the sub continent on this sector has opened up big export opportunities for them in tops and yarn supply.

Traders dominated the buyers lists this week, but were ably supported by the Chinese top makers. This activity forced price gains of 50ac on 18 and finer Merino and largely firm unchanged levels on 18.5 to 22 micron. A small hole appeared at the end of the week around the 21micron area. Crossbreds maintained their pre Xmas levels whilst cardings gained 30ac.

Around 50,000 bales sells next week over three days.

12 months EMI weekly close 14th Jan 2021



AWTA Key Test Data as at end December 2020

- December 2020 compared to December 2019 had 4% less weight tested.
- Progressive comparison for July to December 2020 compared with the same period last season shows 9.3% less wool tested by weight.
- 138.9 mkg tested this season compared to 153.1 mkg for last season.

Riemann wool forwards

May 2021	18.0 mic	1635ac	5,000 kgs
May 2021	19.0 mic	1400/1425ac	21,500 kgs
June 2021	19.0 mic	1435ac	2,500 kgs

Scheduled Australian Wool Auction Sales

Sale week	2020/21 est.	2019/20 actual
Week 30	49,240 bales	52,666 bales
Week 31	46,430 bales	33,700 bales
Week 32	41,196 bales	30,562 bales

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