

WOOL MARKET

WEEKLY REPORT

Sale 51: Thurs 20th June 2024



WOOL GROWERS - can we please have your assistance in AWI research? - wool.com/getinvolved

2023/24 Aust. wool offering		Weekly currency movements			Eastern Market Indicator (EMI)			
Bales offered	27,490	AUD:USD	0.6670	+ 0.42 %	AUD	1160 ac/kg	- 10 ac/kg	- 0.85 %
Clearance rate %	92.1 %	AUD:CNY	4.8401	+ 0.50 %	USD	774 usc/kg	- 3 usc/kg	- 0.44 %
Bales Sold	25,318	AUD:EUR	0.6212	+ 1.06 %	CNY	56.15 ¥/kg	- 0.20 ¥/kg	- 0.36 %
Bales sold season	1,626,636	RBA close rates 19th June 2024			EUR	7.21 €/kg	+ 0.02 €/kg	+ 0.19 %

AWI Market Commentary

Somewhat unexpected tougher market conditions at this week's Australian wool auctions. Buyers, both here locally in sale rooms here and overseas, generally downshifted to safety mode awaiting better demand signals indicating acceptance - or otherwise- of the recent price rises gained over the previous weeks.

Despite the exceptionally small volumes available, due mostly to Western Australia not holding an auction sale, prices still lowered by around 0.8% within the Merino sector. Skirting types largely held onto their values whilst cardings dropped a few cents. The crossbred sector gained 10ac.

Perhaps manufacturers and traders who were wanting to buy decided not to spook the market. Trying to execute contracts in a very limited supply situation would have pushed price levels higher, taking sales on the books into loss and limiting future selling opportunities. The first sales of the new Australian financial year usually sees large volumes hitting the market and holding off to purchase into larger supply sale weeks was maybe the strategy.

The stronger AUD against the major trading currencies accounted for more than half of the price depreciation this week. It has been widely reported that the Reserve bank of Australia (RBA) will probably be one of the last G10 central banks to cut interest rates, placing further upward pressure on the AUD against the majors.

All selling centres in operation next week with 40,000 bales to be offered.

Australian Bureau of Agricultural and Resource Economics and Sciences . ABARES June 2024 forecast

Wool price to rise with an improving world macroeconomic outlook

- The Australian wool price is forecast to rise by 3% to 1194 cents per kilogram in 2024–25, reflecting improved global demand and slightly lower supply.
- Easing inflation and interest rates in Europe and other advanced economies outside the United States is expected to increase household disposable incomes and spending on discretionary items.
- In addition, lower Australian wool production and export volumes are expected to support higher prices.

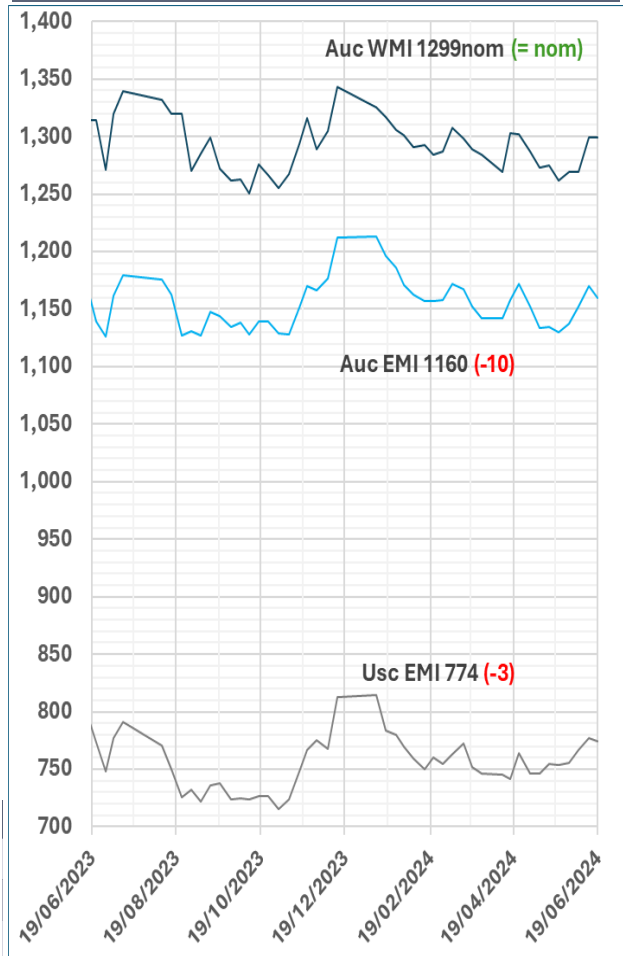
Scheduled Australian wool at auction offerings

Sale week	2024/25 est.	2023/24 actual
Week 52	40,203 bales	43,344 bales
Week 1	38,074 bales	36,159 bales
Week 2	N/A	55,210 bales

Western Market Indicator (WMI)

AUD	1299 ac/kg	= nom ac/kg	NO SALE
USD	866 usc/kg	+3 usc/kg nom	+ 0.42 %

12 month Market Indicators 19th June 2024



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