



Offering—Aust. only		Currency movements			Eastern Market Indicator (EMI)			
Bales offered	44,376	AUD:USD	0.7754	+ 0.25 %	AUD	1318 ac/kg	+ 43 ac/kg	+ 3.37 %
Passed-In %	9.6 %	AUD:CNY	5.0019	+ 0.13 %	USD	1022 usc/kg	+ 36 usc/kg	+ 3.63 %
Bales Sold	40,088	AUD:EUR	0.6442	+ 0.96 %	CNY	65.93 ¥/kg	+ 2.23 ¥/kg	+ 3.51 %
Season Sold	861,632	RBA close rates 18th Feb 2021			EUR	8.49 €/kg	+ 0.35 €/kg	+ 4.36 %

AWI Market commentary

Price gains generally just kept coming at this week's Australian wool auctions with only the cardings sector preventing a clean sweep of rises across all types and descriptions. With over 46,000 bales up for sale, it could have been assumed buyers would be circumspect in their buying, but this was far from the case as some individual types were over 100ac dearer for the series.

The Eastern Market Indicator (EMI) closed the week 43ac higher to post a week figure of 1318ac clean/kg. The AUD EMI has not been at this level since March 2020. The gains even went against the usually dampening effect of a stronger AUD against the USD. As such the USD EMI appreciation was even greater at 3.6% higher to 1022usc clean/kg. Similar to the Aussie dollar levels, the USD wool value indicator has not seen these levels since the full effects of the pandemic hit our markets in late February/early March of 2020.

Requests for wool from China were reportedly slowing at the commencement of these sales. The Lunar New Year celebrations may have had an influence. Despite the apparent waning in appetite for new business from the PRC, discussion from show floors arrived of fresh enquiry and conversion to forward contracts from India. Many buyers commented how easily this competition transferred price pressure onto all users as levels ascended.

Trading companies dominated the Merino fleece and skirtings sectors, with top makers and indent buyers appearing unwilling to be convinced of the longevity of current prices. Instead, the top makers and processors looked to the crossbred and carding sectors as more of a value proposition for their current circumstances. Wool market competition again displayed patterns towards the pre-pandemic economy methods of operation.

Merino wools finer than 18.0micron gained 15 to 30ac for the week, but it was the types broader than 18.0micron that were the most sought and were 75 to 100ac dearer for the week. Crossbreds appeared to turn the cheapening trend for the time being and traded up to 20ac dearer. Cardings defied the dearer trend of the general market and fell away by 20ac

52,614 bales is to go to auction next week as held wool hits the market.

Scheduled Australian Wool Auction Sales		
Sale week	2020/21 est.	2019/20 actual
Week 35	52,614 bales	CANCELLED SALE
Week 36	37,946 bales	62,166 bales
Week 37	39,915 bales	43,579 bales

12 months EMI week close 18th February 2021



Riemann wool forwards

Mar 2021	21.0u	1310 ac	5,000 kgs
Apr 2021	19.0u	1620/1650 ac	9,000 kgs
Apr 2021	21.0u	1305 ac	5,000kgs
May 2021	19.0u	1650 ac	5,000 kgs
June 2021	19.0u	1600 ac	2,000 kgs
Aug 2021	19.0u	1590 ac	2,000 kgs
Sept 2021	19.0u	1655 ac	12,000 kgs
Oct 2021	19.0u	1600/1650 ac	10,000 kgs
Oct 2021	21.0u	1305 ac	2,500 kgs

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