

Weekly Wool Comments - 20.08.21

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The wool market has continued its downward trend this week. The AWEX Eastern Market Indicator (EMI) closed at 1,332c/kg on Tuesday, a 40c drop from the previous week's performance while a slight increase of 3c was seen on Wednesday to close out selling week 7 on a positive note at 1,335c/kg greasy, or 970c/kg in US dollar terms.

This selling week has seen a decline in supply with 41,344 bales offered, although this still remains a larger offering than is typically seen at this time of year. The passed in rate sits at 28% suggesting supply is not being met with equal demand. These results are likely due to a combination of decreased activity from the Chinese market, with the Delta variant outbreak leading to reduced demand, and continued impacts from last week's price drops, however due to the lower supply this week, the price managed to increase a small amount by the end of the selling week.

This week the AuctionsPlus online offer board saw an increase in demand, with 199 bales being sold over the period. A range of broad micron wools saw the highest demand, with 75 bales of 20µ micron wool sold, accounting for 38% of sales, which sold to a top of 850c/kg greasy or 1,250c/kg clean. The top priced lot for the week was for 8 bales of 17.7µ micron Merino fleece wool, selling for 1,777c/kg greasy or 2,291c/kg clean. This "TILLYWHIM" branded lot was offered by Nutrien Ag Solutions – Victoria, has 0.3% vegetable matter and is 78 mm in length.