



Offering—Aust. only		Currency movements			Eastern Market Indicator (EMI)			
Bales offered	28,346	AUD:USD	0.7124	+ 0.23 %	AUD	1022 ac/kg	+ 26 ac/kg	+ 2.61 %
Passed-In %	5.2 %	AUD:CNY	4.8379	- 0.09 %	USD	728 usc/kg	+ 20 usc/kg	+ 2.84 %
Bales Sold	26,862	AUD:EUR	0.6071	+ 0.21 %	CNY	49.44¥/kg	+ 1.21 ¥/kg	+ 2.51 %
Season Sold	300,011	RBA close rates 7th Oct 2020			EUR	6.20 €/kg	+ 0.17 €/kg	+ 2.83 %

AWI Market commentary	12 months weekly EMI close 7th Sept. 2020
-----------------------	---

Last week's falls went a long way to being recouped this week at the Australian wool auctions. Price gains were recorded for all wools. Volumes on offer had reduced by 13.9% from last week's estimates to end up being under 30,000 bales which helped apply positive pressure to the market price on top of the renewed purchasing interest.

The Eastern Market Indicator (EMI) pushed above the 1000ac barrier to close 26ac or 2.6% higher to 1022ac clean/kg. The USD v AUD and other forex rates used in wool trading have been trading in a remarkably narrow range over the past few weeks, having little impact on auction direction. The USD EMI appreciated 2.8% or 20usc to 728usc clean/kg.

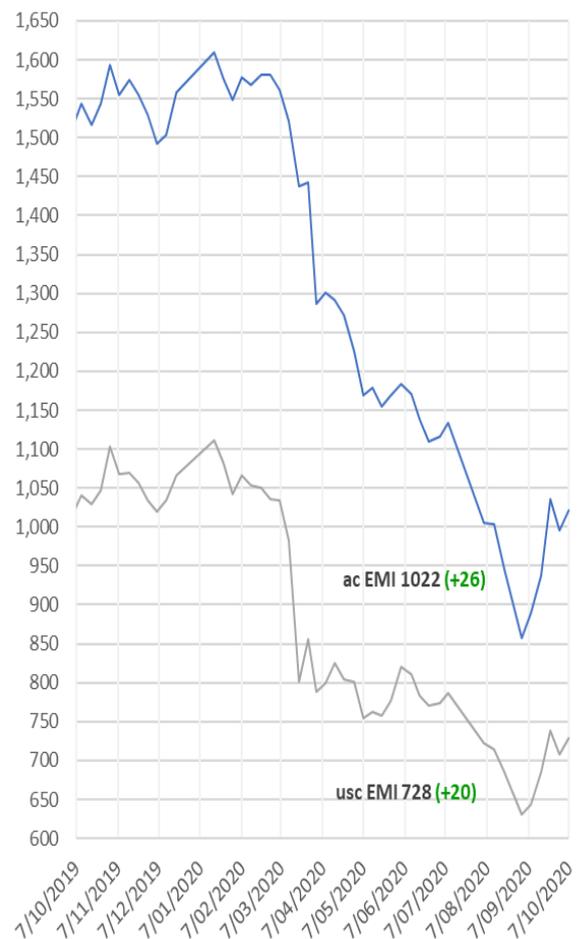
Buyer expectations were for a largely unchanged to cheaper prices at the start of the week, but these evaporated as auctions commenced. Sale room operators initially gauged each others intention and quickly realized the buying intent being represented was far better than the soft market predictions. Many stepped up their own purchasing rates, forcing prices steadily higher.

Merino fleece finer than 19 micron came under the most buying pressure and was not restricted in quality. In fact much of the offering that is usually discounted such as overlong or low nkt (strength) sale lots sold at market rates almost equivalent to the better European specification types. The Merino fleece broader than 19 micron was by no means neglected by pushing 20 to 30ac higher but competition was not as fierce in that sector.

Skirting types had top makers very interested and gained 35ac. Crossbred descriptions added 15ac to their values thanks largely to top makers again, while processors led the modest 5ac gain that was extracted for cardings.

Repeating the buying pattern that has developed over the past few sales, trader interest continued to dominate the Merino fleece sector while first stage manufacturer representatives topped buyers lists on all other types and descriptions. The majority of enquiry and firm interest is emanating out of China, but small pockets of activity from the sub continent and Europe are evident in the market locally.

Next week there is around 30,000 bales rostered to be offered.



Rieman wool forwards				Scheduled Australian Wool Auction Sales		
October 2020	18.0 micron	1355 ac	5t	Sale week	2020/21 est.	2019/20 actual
October 2020	21.0 micron	1035 ac	20t	Week 16	30,468 bales	35,356 bales
January 2021	19.0 micron	1200 ac	5t	Week 17	31,120 bales	27,077 bales
				Week 18	34,464 bales	35,300 bales

Australian Wool Innovation Limited and its employees, officers and contractors and any contributor to this material ("us" or "we") have used reasonable efforts to ensure that the information contained in this material is correct and current at the time of its publication, it is your responsibility to confirm its accuracy, reliability, suitability, currency and completeness for use for your purposes. To the extent permitted by law, we exclude all conditions, warranties, guarantees, terms and obligations expressed, implied or imposed by law or otherwise relating to the information contained in this material or your use of it and will have no liability to you, however arising and under any cause of action or theory of liability, in respect of any loss or damage (including indirect, special or consequential loss or damage, loss of profit or loss of business opportunity), arising out of or in connection with this material or your use of it. © Australian Wool Innovation Limited All rights reserved. This work is copyright. Except as permitted under Copyright Law no part of this publication may be reproduced by any process, electronic or otherwise, without the specific written permission of the copyright owner. Neither may information be stored electronically in any form whatsoever without such permission.