



| Offering—Aust. only | | Currency movements | | | Eastern Market Indicator (EMI) | | | |
|-----------------------|---------|-------------------------------|---------------|----------------|---|-------------------|--------------------|-----------------|
| Bales offered | 33,074 | AUD:USD | 0.7081 | -1.24 % | AUD | 1219 ac/kg | + 102 ac/kg | + 9.13 % |
| Passed-In % | 6.0 % | AUD:CNY | 4.7074 | -2.58 % | USD | 863 usc/kg | + 62 usc/kg | + 7.78% |
| Bales Sold | 31,093 | AUD:EUR | 0.5988 | -1.92 % | CNY | 57.38 ¥/kg | + 3.40 ¥/kg | + 6.31 % |
| Season Sold | 358,127 | RBA close rates 21st Oct 2020 | | | EUR | 7.30 €/kg | + 0.48 €/kg | + 7.04 % |
| AWI Market commentary | | | | | 12 months weekly EMI close 21st Oct. 2020 | | | |

Dramatic price movements were the order of the day at this week's Australian wool auctions. Both selling days were in stark contrast not only for sentiment and confidence, but also for type-specific demand. The opening day saw exceptionally strong auction action leading to outstanding rises on all segments. The final day though saw diverging fortunes as all cross-breds remained dearer, but the Merino sector faltered heavily from the preceding day's extraordinary gains.

The Eastern Market Indicator (EMI) closed the week at **1219ac clean/kg** which was 102ac or 9.1% higher and replicated the same percentage gains of last week. A substantially weakened AUD against the USD; by 1.2%, assisted holding the USD EMI somewhat in check, but that indicator still rose 7.8% or 62usc to a closing rate of **863usc clean/kg**.

Since the first week of September the wool market when measured using the EMI as the base, has risen by 42% in AUD and gained 37% in value in US dollars. This rise has occurred in just seven weeks of selling but significantly with an average offering of 26,790 bales per week.

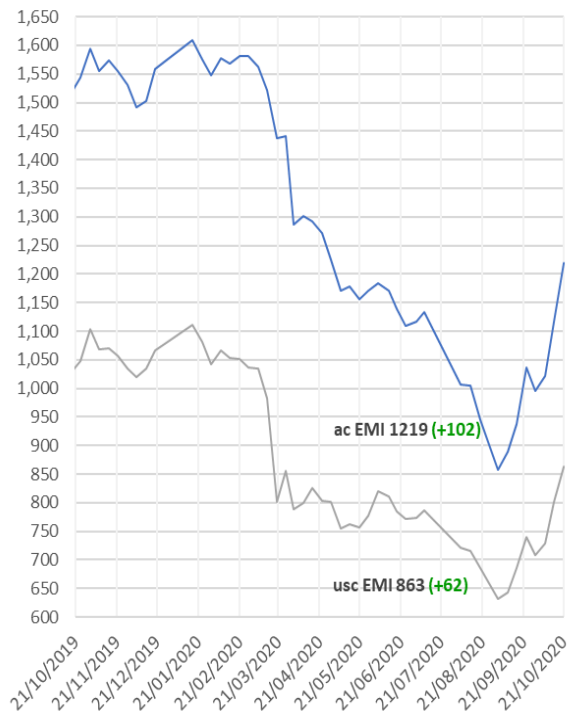
In AUD terms the market was last around the current prices on offer at the end of April earlier in the year, but the equivalent USD rates have not been available since early March 2020 when the pandemic situation first impacted the market noticeably.

Merino fleece types commenced the week upwards of a general 150ac dearer but then lost 60ac immediately the following day. The final result though was that all wools were sitting at levels 80 to 100ac above the opening prices. A very limited offering of ultra fine merino fleece finer than 16micron had seen gains of well over 200ac on the first day. Bidding was described as being frantic as many buyers hit the market hard to cover off risk and be in a position to create new business opportunities.

The Merino skirting operators were somewhat more controlled in their operations comparatively, with the first day 100ac gain pulled back by just 25ac on the last day of auctions. Smaller availability obviously helped these descriptions hold on, but downward price pressure was the result, nonetheless.

Cardings jumped 50ac initially and then traded at around that level through to the close. Crossbreds had consistent day on day gains and were the best performing of all types. Price increases to the order of an incredible 25% or 140ac were being registered on most of the offering finer than 30 micron. Broader types gained 20% on a very small quantity sold.

Next week the volume jumps with 44,000 bales rostered to be offered.



| Riemann wool forwards | | | |
|-----------------------|-------------|--------------------|------|
| November 20 | 19.0 micron | 1350/1420ac | 22t |
| November 20 | 19.5 micron | 1285ac | 2t |
| November 20 | 21.0 micron | 1260ac | 7.5t |
| January 2021 | 19.0 micron | 1320/1420ac | 8t |
| April 2021 | 19.0 micron | 1320ac | 5t |
| May 2021 | 19.0 micron | 1350ac | 2t |

| Scheduled Australian Wool Auction Sales | | |
|---|---------------------|----------------|
| Sale week | 2020/21 est. | 2019/20 actual |
| Week 18 | 44,004 bales | 35,300 bales |
| Week 19 | 30,773 bales | 34,084 bales |
| Week 20 | 33,025 bales | 36,110 bales |

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