



Offering—Aust. only		Currency movements			Eastern Market Indicator (EMI)			
Bales offered	46,544	AUD:USD	0.7793	- 2.22 %	AUD	1310 ac/kg	+ 4 ac/kg	+ 0.31 %
Passed-In %	9.3 %	AUD:CNY	5.0426	- 1.93 %	USD	1021 usc/kg	- 20 usc/kg	- 1.92 %
Bales Sold	42,199	AUD:EUR	0.6465	- 1.22 %	CNY	66.06 ¥/kg	- 1.10 ¥/kg	- 1.63 %
Season Sold	944,739	RBA close rates 4th Mar 2021			EUR	8.47 €/kg	- 0.08 €/kg	- 0.92 %

AWI Market commentary

A relatively stable series of sales at this week's Australian wool auctions. Prices stayed generally around the established levels with minimal movements to either side of the plus and minus. The Eastern Market Indicator (EMI) closed the week 4ac or 0.3% higher to close out the week at 1310ac clean/kg. The USD EMI headed the other way though as currency-induced falls of 1.9% or 20usc were registered to see that USD indicator sit at 1021usc clean/kg.

Many participants speculated that the foreign exchange (forex) rates largely saved the local wool markets from falls as the Aussie Dollar (AUD) dipped sharply against the USD week to week. This produced the optimal scenario to sustain the current bullish price sentiment in the face of a not-so-ideal retail economy. AUD prices were fully firm to slightly dearer while the weaker currency gave our overseas customers and processors a cheaper buy-in price. In the instance of those using the US dollar (USD) or the Chinese Yuan (CNY) a price advantage of around 2% was achieved.

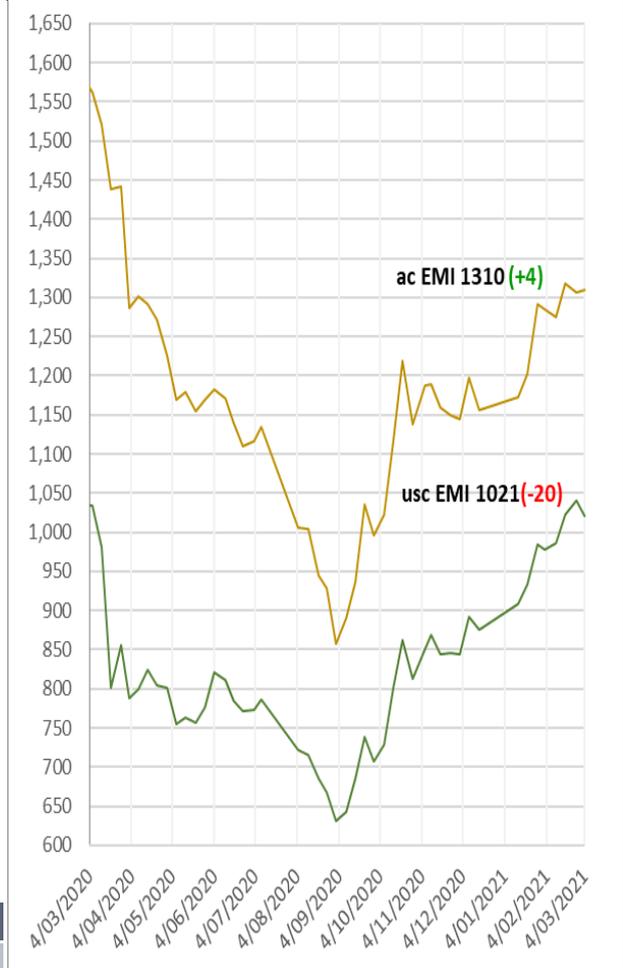
Exporters facing financial restraints, predominantly due to the slowing of the logistics chain, bemoan these circumstances as additional business is unable to be conducted. Knocking back new sales due to access to finance is not a new trading impediment but it has to be contended with. Juggling finance is critical, and for those able to execute a good fiscal strategy can certainly reap some rewards. Many exporters are dealing with these restrictions and this is part of retarding the dominant bull market trend as competition moves in and out of auctions. Quite often the delays in sailings, and therefore payment, represent two weeks of exporters normal auction buying budget.

Australia's largest trading company dominated this week's buying but some support from top makers and processors became apparent across all wool types and descriptions. Merino fleece and skirtings had small general rises of 5ac, cardings added 10ac and crossbreds +5ac.

50,000 bales are scheduled for next week on Wednesday and Thursday.

Riemann wool forwards			
Mar 2021	19.0u	1600 ac	5,000 kgs
Mar 2021	21.0u	1280 ac	5,000 kgs
Mar 2021	28.0u	575 ac	5,000 kgs
May 2021	19.0u	1620 ac	2,500kgs
Oct 2021	19.0u	1600 / 1620 ac	7,500 kgs
Dec 2021	19.0u	1610 ac	5,000 kgs

12 months EMI week close 4th March 2021



Scheduled Australian Wool Auction Sales		
Sale week	2020/21 est.	2019/20 actual
Week 37	49,883 bales	43,579 bales
Week 38	41,888 bales	41,986 bales
Week 39	41,425 bales	42,934 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.