

# WOOL MARKET

## WEEKLY REPORT



Sale 18: Thurs 31st Oct 2024

Your fibre Your future *Your call* - **Vote closes tomorrow** [www.wool.com/woolpoll/](http://www.wool.com/woolpoll/)

2024/25 Aust. wool offering		Weekly currency movements		Eastern Market Indicator (EMI)				
Bales offered	36,900	AUD:USD	0.6543	-2.01 %	AUD	1125 ac/kg	-6 ac/kg	-0.53 %
Clearance rate %	90.7 %	AUD:CNY	4.6692	-1.92 %	USD	736 usc/kg	-19 usc/kg	-2.53 %
Bales Sold	33,474	AUD:EUR	0.6049	-2.14 %	CNY	52.53 ¥/kg	-1.31 ¥/kg	-2.44 %
Bales sold season	450,815	RBA close rates 30th Oct 2024			EUR	6.81 €/kg	-0.18€/kg	-2.65 %

### AWI Market Commentary

This week's Australian wool auctions sold definitively to the buyers favour. Both the local auction price and the major foreign exchange (forex) rates available headed downward, giving a cumulative price benefit for the overseas wool users converting their local currency into AUD for wool purchases for the week. At times, this forex rate went over 2% to their advantage on top of the 0.5% reduction in the AUD EMI.

The US Dollar (USD) is gaining strength against the AUD. Positive US economic data from last week is indicative of resilience in the economy. This movement supports the overarching sentiment of there being another nominal interest rate cuts by the USA Federal Reserve in November.

As the Australian dollar (AUD) value retreated, blame is being apportioned to the ongoing uncertainty ahead of US presidential election. Either way, this reduced AUD value certainly aided in the wool auction prices being held up this week, somewhat shielding sellers from lower levels at auction and masking the weaker demand scenario for wool traders, buyers and manufacturers. The current activity at auction appears to be signalling that the much awaited for recovery in the European and Chinese domestic consumption markets remains elusive. The purchasing weights for the usual Euro orders seem to be way off the pace, with reduction of built up stocks at all levels beyond the greasy stage the current modus operandi. Chinese buying has now appeared to have largely reverted to a higher percentage of machinery demand Traders to China, Chinese based top makers and Chinese bound indent orders evenly distributed buyers lists this week. Buying for other destinations was very difficult to isolate or evidence in the auction rooms.

As is often the case in weak demand sale weeks, as the wool prices in USD and CNY terms dropped over the 2% mark on week on the week to week comparison on Wednesday, the first stage manufacturers kicked into a higher purchasing mode. Their buying was the most dominant towards the close of selling as the buying indents and forward contract commitments appeared to have been met for the week.

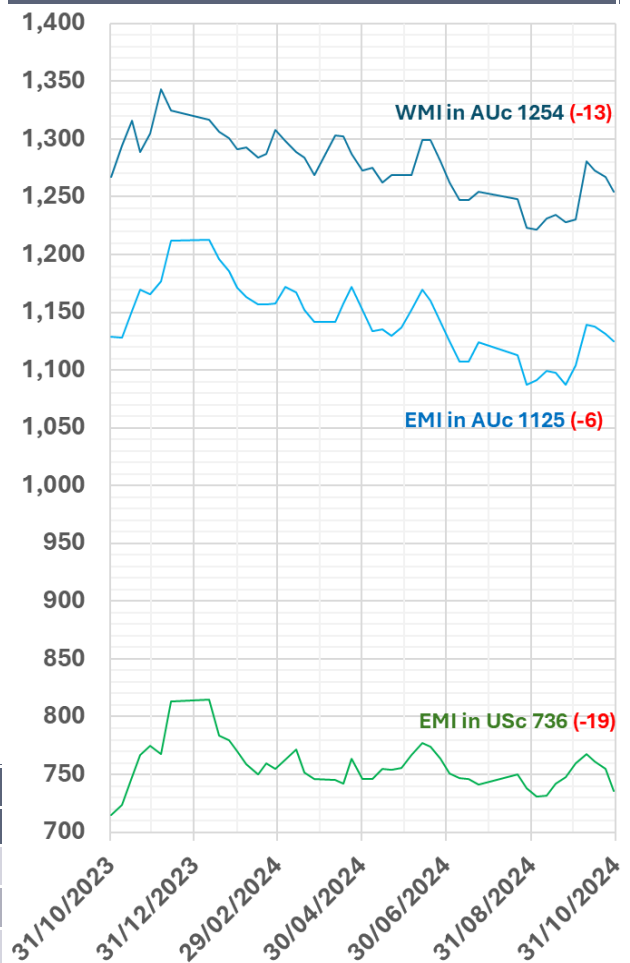
Next week has around 38,000 Australian stored bales on offer, but Melbourne will sell on Wednesday and Thursday, whilst Sydney and Fremantle will remain to their usual Tuesday/Wednesday selling days.

Scheduled Australian wool at auction offerings		
Sale week	2024/25 est.	2023/24 actual
Week 19	37,991 bales	42,682 bales
Week 20	36,514 bales	38,447 bales
Week 21	Est 38,500 bales	41,518 bales

### Western Market Indicator (WMI)

AUD	1254 ac/kg	-13 ac/kg	-1.03 %
USD	820 usc/kg	-26 usc/kg	-3.01 %

### 12 month Market Indicators 30th October 2024



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