



Offering—Aust. only		Currency movements			Eastern Market Indicator (EMI)			
Bales offered	32,112	AUD:USD	0.7166	+ 0.29 %	AUD	1188 ac/kg	+ 50 ac/kg	+ 4.39 %
Passed-In %	8.9%	AUD:CNY	4.7693	- 0.53 %	USD	851 usc/kg	+ 38 usc/kg	+ 4.70%
Bales Sold	29,268	AUD:EUR	0.6105	+ 0.66 %	CNY	56.66 ¥/kg	+ 2.10 ¥/kg	+ 3.84 %
Season Sold	413,801	RBA close rates 5th Nov 2020			EUR	7.25 €/kg	+ 0.35 €/kg	+ 5.08 %
AWI Market commentary					12 months EMI weekly close 6th Nov 2020			

The wildly fluctuating behaviour that has become synonymous with the wool market recently was very much in evidence again this week at the Australian wool auctions. The opening day of sales saw prices for Merino fleece and skirtings soar well over 100ac dearer than last week, but in a developing pattern, the final day of selling had prices in reverse to the order of 50ac. The end users appeared unwilling to follow the market all the way up to the levels established by the local auction buyers causing the end of week retraction to more receptive values.

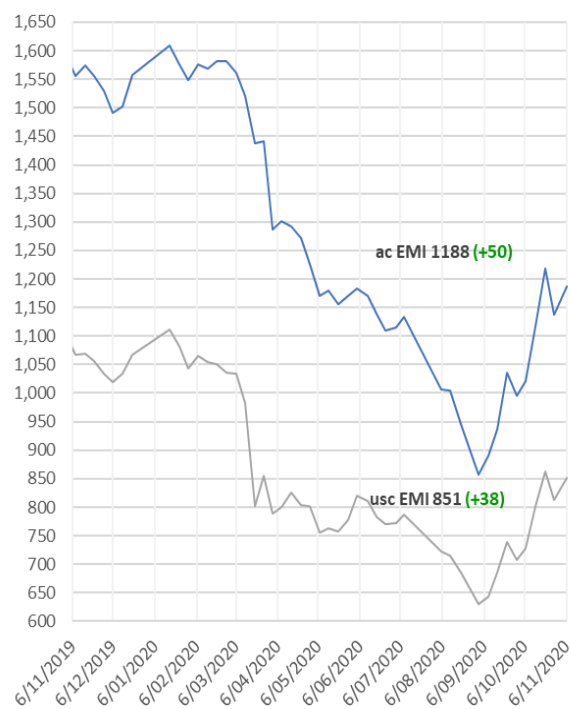
The Eastern Market Indicator (EMI) added 50ac or 4.4% for the series closing at 1188ac clean/kg. The USD EMI was similarly 4.7% or 38usc higher to 851usc clean/kg. The week to week movement of the AUD v USD appeared stable at just 0.3% stronger but in reality the foreign exchange (forex) rates matched the unusually erratic wool prices. Early in the week the AUD rate was sitting at 0.7003 against the USD but by today, Friday, 4.3% value had been added to the AUD and the rate hit 0.7300.

Pre sale expectations of a substantially dearer market were fully met. Auction buyers attacked the offering from the opening lot. Chinese clients had been bidding exporters “strongly over the market” since the close of selling last week for new contracts. Many exporters liquidated the little stock they had accumulated but were unwilling to then expose themselves by setting clients forward without inventory. As such, the auctions opened with unmet forward sale potential opportunities at levels well above market. This only enhanced the current trading methodology of purchasing before selling.

In what was another week of extraordinary price movements of high amplitude, a remarkable alignment of prices was produced by the week’s end across the selling centres. Just a slight variation in prices (downward) from Fremantle on the mid microns (19 to 20.5micron) of the Merino offering was evident. Despite the falling levels on the final day, competition picked up as the sale progressed, with closing prices mostly better than the start.

The week’s results had Merino fleece and skirtings 70ac dearer in the eastern selling centres and 45ac dearer in Western Australia. The crossbred sector appreciated 25ac. Opposite to all other wool types sectors, cardings lost 20ac. Trading companies dominated the purchasing of Merino combing wools and crossbred types whilst it was mainly the first stage manufacturers that took advantage of the cheaper buy in rates available for oddments

Sales volumes rise to almost 42,000 bales next week across all three centres and will revert to the normal Tuesday/Wednesday schedule.



Riemann wool forwards			
November '20	19.0 micron	1370 ac	5t
December '20	19.0 micron	1400 ac	5t
December '20	21.0 micron	1190/1260 ac	24t
January '21	18.0 micron	1620 ac	4t
January '21	19.0 micron	1400/1415 ac	13t
January '21	21.0 micron	1255 ac	5t

Scheduled Australian Wool Auction Sales		
Sale week	2020/21 est.	2019/20 actual
Week 20	41,969 bales	36,110 bales
Week 21	34,566 bales	35,719 bales
Week 22	35,340 bales	37,827 bales

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