



Offering—Aust. only		Currency movements			Eastern Market Indicator (EMI)			
Bales offered	37,512	AUD:USD	0.7309	+ 2.00 %	AUD	1189 ac/kg	+ 1 ac/kg	+ 0.08 %
Passed-In %	11.5 %	AUD:CNY	4.8127	+ 0.91 %	USD	869 usc/kg	+ 18 usc/kg	+ 2.08 %
Bales Sold	33,180	AUD:EUR	0.6177	+ 1.18 %	CNY	57.22 ¥/kg	+ 0.56 ¥/kg	+ 0.99 %
Season Sold	446,981	RBA close rates 11th Nov 2020			EUR	7.34€/kg	+ 0.09 €/kg	+ 1.26 %

AWI Market commentary	12 months EMI weekly close 11th Nov 2020
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A cursory glance at the EMI would suggest a rather mundane selling week at the Australian wool auctions but in reality it was one of the most explosive weeks of opposing market movements seen for quite some time. The dramatic change in sentiment that occurred mid-week was substantial.

The Eastern Market Indicator (EMI) added just 1ac or 0.1% to close at 1189ac clean/kg. In contrast, the USD EMI was 2% or 18usc higher due entirely to the variation in the AUD v USD foreign exchange (forex) rate.

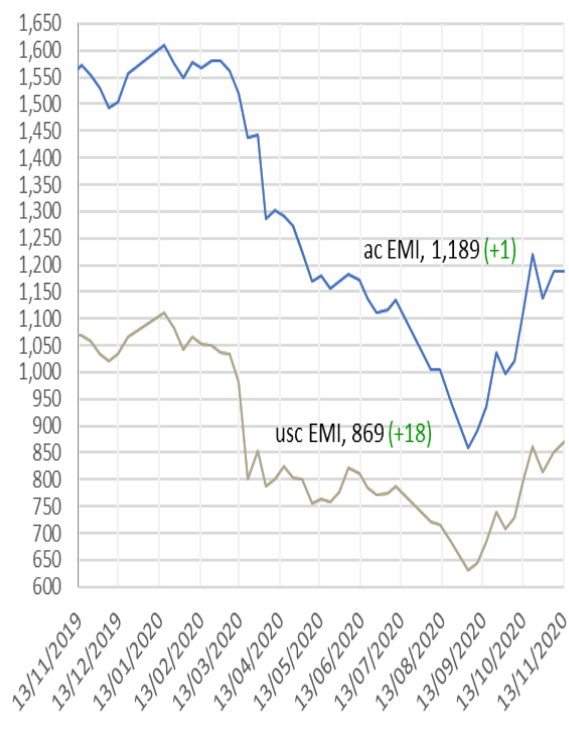
Buyers mostly commenced the week with negative strategies that had the market in reverse from the opening lot. Towards the latter part of the day though, this fall stopped abruptly as bids started flowing into the sale rooms from China. The market then showed signs of firming up which was confirmed as Fremantle commenced selling and became dearer than the already -closed Eastern markets.

The second and final day of selling had prices steaming up once again in a very hot atmosphere at auction. To highlight the market's erratic nature, at different points of the week, price oscillations of over 100ac for similar types dependent on the timing of sale were registered.

The wool industry is no stranger to big price movements, but the recent adjustments are far more radical, both in magnitude and velocity. This is indicative of the current operational methodology of minimal to zero risk appetite of stock or forward exposure by both buyer and seller.

Fremantle provided the clearest of market quotes and signals and Merino fleece and skirtings became 30 to 40ac dearer for the week. Crossbreds were 15ac lower and cardings were inconsistent across selling centres but were generally unchanged to minus 30ac.

40,000 bales are rostered for next week across all three selling centres.



AWTA Key Test Data

- The monthly comparisons of total weight for October 2020 compared with the same period last season shows that 18.0% less weight of wool tested.
- The progressive comparison of total weight for July 2020 to October 2020 compared with the same period last season shows a cumulative season loss of 11.4% tested wool.
- AWTA Ltd has tested 84.8 mkg (million kilograms) this season compared with 95.6 mkg for the equivalent period last season.

Riemann wool forwards			
Nov '20	19.0 micron	1370/1425ac	7.5t
Dec '20	19.0 micron	1320/1425 ac	20t
Dec '20	21.0 micron	1160/1245 ac	20t
Jan '21	18.0 micron	1620 ac	4t
May '21	19.0 micron	1400 ac	5t

Scheduled Australian Wool Auction Sales		
Sale week	2020/21 est.	2019/20 actual
Week 21	40,539 bales	35,719 bales
Week 22	35,545 bales	37,827 bales
Week 23	35,301 bales	37,191 bales

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