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NEWSLETTER

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2020/08

From the desk of Chris Wilcox, Executive Director

- Australian wool prices fall but outperform equity markets
- Trends in commodity and competing fibre prices
- ABARES' positive five-year forecasts for wool and sheep
- AWEX shifts auction sale S41 from Sydney Royal Easter Show
- NCWSBA Centenary – Photos now on the NCWSBA website
- Industry events



Oil prices fall sharply but general commodity prices only moderately affected.

While wool prices have pulled back in the past few weeks, this is nothing on the decline in oil prices which dropped by 30% this week alone, driven lower both by the Covid-19 pandemic and a refusal by Russia to limit supplies. The plunge in oil prices has pushed prices below the low of January 2019, although oil prices remain well above the levels at the start of 2016. So far, prices for other commodities such as metals and food have not fallen much, although they have eased back. That may well change in coming weeks as the impact of the Covid-19 pandemic hits sales, production and supply chains.

As for other commodities other than oil, prices for other textile fibres such as man-made fibres and cotton, have eased back, but not fallen precipitously as the oil price. However, the latest prices for polyester and acrylic are only available to end February, so they don't capture any change in March to date. You would expect, however, that the plunge in oil prices will be reflected in prices for both fibres in the next month or so. Cotton prices have declined in the past month or so.

Further details, including charts showing the trends in prices for various commodities and textile fibres since January 2016, is provided in the full edition of the *Weekly Newsletter*. Available to NCWSBA members.

INDUSTRY EVENTS

The **Australian Wool Production Forecasting Committee** meets on 29th April 2020 in Melbourne.

The **Italian Wool Trade Association** plans to hold its Centenary celebrations in Biella on 16th April.

The **International Wool Textile Organisation's 2020 Congress** planned for Brussels on 21st to 23rd May.

WOOL SALES WEEK BEGINNING 16th MAR 2020 – week 38 (roster as at 5/3/2020)

Sydney

Wed, 11th Mar; Thurs 12th Mar 8,870 bales

Melbourne

Wed, 11th Mar; Thurs 12th Mar 25,312 bales

Fremantle

Wed, 11th Mar; Thurs 12th Mar 12,498 bales

Information in the Weekly Newsletter is intended to provide general information only and is not intended to constitute advice for a specific purpose.