



The National Council of Wool Selling Brokers of Australia Inc

NEWSLETTER

Gate 4
29 Frederick Rd
Tottenham Vic 3012

Phone: +61(0)419344259
E-mail: info@ncwsba.org
Twitter: @woolbrokersaus

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2020/16

From the desk of Chris Wilcox, Executive Director

- Australian wool prices at 5-year lows amid demand destruction
- Consumer confidence plummets during Covid-19 lockdowns
- Weight of medium Merino wool tested drops again
- Over half the auction offering NM, CM or PR wool
- Australian wool exports continue to decline in March
- Upcoming industry events



Slump in consumer confidence a contributor to demand destruction for wool

The fall in wool prices in the Australian wool market is unrelenting in response to the destruction of demand caused by the COVID-19 pandemic. The Eastern Market Indicator (EMI) fell by 55 Acents, the fourth consecutive weekly decline, and finished at 1170 Ac/kg, the lowest week ending level in five years.

One cause of the demand destruction is a collapse in consumer confidence in most of the major wool consuming countries and regions in April due to the Covid-19 pandemic lockdown. Consumer confidence has fallen off a cliff in the US, Europe, Japan and South Korea. These plunges, combined with the social lockdowns, will no doubt be causing a collapse in retail sales. Unbelievably, the statistic on consumer confidence in China shows only a small decline in February, before an improvement in March (April data is not available for China).

For further details, including a chart showing the slump in consumer confidence in the major wool consuming countries and regions, is provided in the full edition of this week's *Weekly Newsletter*. Available to NCWSBA members.

INDUSTRY EVENTS

The **IWTO 2020 Congress** will be a digital event on 21st to 23rd May 2020. See www.iwto.org for details.

Wool Week is scheduled for 27th and 28th August 2020. The NCWSBA Annual General Meeting is scheduled for Thursday, 27th August.

The **Nanjing Wool Market Conference** will be held in Haining, Zhejiang on 18th to 20th September 2020.

WOOL SALES WEEK BEGINNING 11 MAY 2020 – week 46 (roster as at 6/5/2020)

<u>Sydney</u>	
Tues 12 th May	6,209 bales
<u>Melbourne</u>	
Tues, 12 th May; Wed 13 th May	13,994 bales
<u>Fremantle</u>	
Wed, 13 th May	5,457 bales

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