



15th May 2020

2020/17

From the desk of Chris Wilcox, Executive Director

- Australian wool market steadies
- Textile fibre prices fall sharply due to COVID-19 and oil upheaval
- Australian wool exports of 19 micron & finer wool falls sharply
- IWTO Congress 2020 goes digital
- IWTO updates the Specification of Sheep Welfare booklet
- Reminder - NCWSBA Wool Broker Award nominations open
- Upcoming industry events



COVID-19 causes fall in prices for all textile fibres

Wool prices have fallen sharply in the past few months, particularly in US\$ terms. For example, the EMI is down by 30% since January, while the 18 micron price guide has fallen by 27%. What has happened to the prices for other fibres, including wool from other countries? Have they been affected as much by COVID-19 and the lockdowns?

As can be seen for the first graph in the chart, prices for other fibres have seen sharp falls in prices in the past few months, particularly the prices of man-made fibres. The oil-based synthetic fibres such as polyester and acrylic have fallen by 13% and 21% respectively, although they were already on a steep decline by January as oil prices were slumping. The price for the cellulose-based viscose has fallen by 10%, while cotton prices are down 16%. Chinese cashmere prices have only fallen by 4%, although a colleague of mine from Mongolia tells me that the price of Mongolian cashmere has fallen sharply.

The second graph shows the trends in prices for Australian wool and for broad wool from New Zealand and the UK (32 micron and broader). There have been no sales of either NZ or British wool in the past six weeks, so the latest price available for these countries is for March. Between January and March, the NZ broad wool price was down by 15% while the British Wool Marketing Board market indicator down by 26%. And, as the chart shows, this decline was from already very low price levels.

Further details, including charts showing the trends in prices for Australian wool, man-made fibres, cotton, cashmere, New Zealand wool and British broad wool, are provided in this weeks' edition of the NCWSBA 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 18 MAY 2020 – week 47
(roster as at 13/5/2020)**

<u>Sydney</u>	
Tues 19 th May	6,672 bales
<u>Melbourne</u>	
Tues, 19 th May; Wed 20 th May	10,404 bales
<u>Fremantle</u>	
Wed, 19 th May	4,614 bales

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