



The National Council of Wool Selling Brokers of Australia Inc

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NEWSLETTER

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From the desk of Chris Wilcox, Executive Director

- NCWSBA Annual General Meeting
- Gloom as Australian wool prices fall again
- Superfine wool price premiums lift
- Seasonal outlook – La Niña to bring higher Spring rainfall?
- Upcoming industry events



Superfine wool price premiums recover amid general price falls

Prices in the Australian wool market fell sharply this week, continuing the trend since the start of the 2020/21 season. Since the end of June, the EMI has fallen by 165 cents or 15%. Proportionately, the largest decline has been for Merino Cardings, which are down by 26%. Of the fleece wools, wool of between 19 micron and 22 micron have fallen by 15% to 19%, while Crossbred wool has declined by between 7% and 15%, with the 32 MPG down the least. Prices for superfine wool (18.5 micron and finer) are down by 9% to 13%.

The premiums paid for superfine wool over medium Merino wool have lifted since mid-2019, with the premium for 16.5 micron rising particularly sharply. After the large declines in the premiums seen from the start of 2018, this rebound has pushed the current price premium for 16.5 micron wool to 49%, well above the long-term average and a major recovery from the low of 7% hit a year ago. The premium for 18 micron wool over 21 micron wool has risen at a slower pace and is now at 22%, a little above the long-term average. As with 16.5 micron wool, this an impressive recovery from the low of just 4% in June 2019.

For 23 micron wool, the price discount against 21 micron wool is currently a discount of 2%, compared with the long-term discount of 4.4%. In contrast, the price discount paid for 28 micron wool is greater than the long-term average, at 52% compared with a long-term discount of 48%. The discount for 28 micron wool over 21 micron wool has increased over the past 12 months.

Further details, including a chart showing the trends since 2011 in the price differentials between a selection of microns compared with 21 micron wool, as given in the full edition of this week's *Weekly Newsletter*. Available to NCWSBA members.

INDUSTRY EVENTS

Wool Week has been cancelled for this year.

The **NCWSBA Annual General Meeting** will be held on for Thursday, 27th August by Zoom (<https://zoom.us/j/93454906061>).

AWTA will hold its Annual General Meeting on Friday, 16th October 2020.

WOOL SALES WEEK BEGINNING 24TH AUGUST 2020 – week 9 (roster as at 19/8/2020)

<u>Sydney</u>	Tues, 25 th Aug; Wed, 26 th Aug	8,147 bales
<u>Melbourne</u>	Tues, 25 th Aug; Wed, 26 th Aug	14,199 bales
<u>Fremantle</u>	No sale	

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