



The National Council of Wool Selling Brokers of Australia Inc

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NEWSLETTER

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2020/30

From the desk of Chris Wilcox, Executive Director

- Slumping US\$ hits Australian wool prices
- Sharp gains in wool's price competitiveness a small bright spot
- Better seasonal conditions bring change in wool fibre attributes
- Increased share of NM, AA and CM wool in 2020/21 to date
- IWTO 2020 Round Table goes digital
- Other upcoming industry events



Strong improvement in wool price competitiveness

One positive result of the larger decline in wool prices compared to that of the decline in prices for competing fibres is that wool price ratio against cotton and synthetics has fallen back sharply since March.

The fall in the ratio of the wool prices has been stunning, particularly against cotton. The current price ratios for 21 micron and 28 micron wool against cotton are the lowest since May 2011. The price ratio for 18 micron wool is the lowest since March 2014. These are dramatic falls since the peaks of late 2018/early 2019, particularly in recent months.

The decline in wool's price ratio compared with the major synthetic fibres used in apparel hasn't been as marked but is still significant, as the left-hand graph shows. The current price ratios for 18 micron wool and 21 micron wool are back to the levels last seen in the 2014/15 season. For the 28 micron wool price ratio, which is a ratio against the price for acrylic fibre only, the current level is the lowest since May 2011.

These low-price ratios are a positive as it may encourage garment makers, knitters and weavers to use more wool and less competing fibre, particularly once clothing retail sales recover.

Further details, including a chart showing the ratio of the price of 18 micron, 21 micron and 28 micron wool against the price of a basket of synthetic fibre prices and against the CotLook A Index, are provided in this week's edition of the *Weekly Newsletter*. Available to NCWSBA members.

INDUSTRY EVENTS

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

The **2020 IWTO Round Table** will be held by Webex on 30th November to 2nd December.

The **2021 IWTO Congress** is scheduled to be held in Kyoto, Japan in May 2021.

WOOL SALES WEEK BEGINNING 7th SEPT 2020 – week 11 (roster as at 2/9/2020)

<u>Sydney</u>	
Tues, 8 th Sep	5,458 bales
<u>Melbourne</u>	
Tues, 8 th Sep; Wed, 9 th Sep	12,351 bales
<u>Fremantle</u>	
Wed, 9 th Sep	5,311 bales

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