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
Instagram: ncwsba

16th October 2020 2020/35

From the desk of Chris Wilcox, Executive Director

- Australian wool prices lift sharply as demand lifts
- Merino wool prices around 60th percentile, Crossbred prices low
- AWTA reports solid profit in 2019/20
- IWTO 2020 Roundtable goes virtual
- Upcoming industry events

Merino wool prices at 60th percentile despite falls

Australian wool prices have fallen sharply in the past 12 months, even after the recovery in recent weeks. The largest declines have been for crossbred wool, particularly at the broad end. Where does that leave prices in historical terms?

The EMI in A$ has fallen to the 64th percentile, down from the 89th percentile a year ago That is, current prices are higher than 64 percent of prices since 2000. So, while prices are substantially lower than 12 months ago (and even more compared with 2 years ago when prices were at record levels), there have been 593 sale weeks in the past 20 years when the EMI was lower. That is quite remarkable given the awful economic and retail conditions around the world currently courtesy of the COVID-19 pandemic. In percentile terms, the EMI in US$ has pulled back by more. This time last year it had fallen to the 76th percentile after peaking at the 100th percentile in August 2018. It is down to the 47th percentile this week. Even so, there are 440 weeks since 2000 where the EMI was lower than currently.

The changes in the EMI masks some significant differences for each micron category. For example, the price for broad crossbred (32 micron) is down to the 1st percentile. In other words, 32 micron prices have rarely been lower than now. The 28 micron price guide (MPG) has fallen back the most in percentile terms. It is now sitting at around the 37th percentile in A$ and the 24th percentile in US$. The prices for fine and superfine Merino wools are better, with the 18 MPG at the 66th percentile in A$ and the 52nd percentile in US$.

Further details, including charts of the cumulative price distribution and the frequencies (in number of weeks) for the EMI and selected Micron Price Guides in A$ and US$, can be seen in the full edition of the NCWSBA *Weekly Newsletter*. Available to NCWSBA members.

INDUSTRY EVENTS

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

The Australian Wool Production Forecasting Committee will meet on 16th December 2020 to review its current forecast of wool production for the 2020/21 season.

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

WOOL SALES WEEK BEGINNING 19th OCT 2020 – week 17 (roster as at 14/10/2020)

Sydney
Tues, 20th Oct; Wed 21st Oct 7,660 bales

Melbourne
Tues, 20th Oct; Wed 21st Oct 17,832 bales

Fremantle
Tues, 20th Oct; Wed 21st Oct 8,601 bales