



The National Council of Wool Selling Brokers of Australia Inc

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NEWSLETTER

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2020/42

From the desk of Chris Wilcox, Executive Director

- Soft finish to 2020 for the Australian wool market
- Wrap up of the first half of the 2020/21 season
- Larger wool cuts expected to push wool production higher
- Upcoming industry events



First half of the 2020/21 season in review

The first half of the 2020/21 season saw a small decline in auction offerings of Australian wool, down by 1.2% to 701,338 bales. Remarkably in light of the COVID-19 restrictions and low prices, the volume of Australian wool sold at auction lifted by 2.0% to 615,086 bales. The pass-in rate for the first six months of the season was 12.8%, compared with a pass-in rate of 15.3% in the first half of the 2019/20 season.

While prices have in general fallen significantly compared with this time last year, fine Merino wool prices have lifted since the start of the 2020/21 season. The EMI is 26% lower now at 1157 Ac/kg compared with a year ago when it was 1558 Ac/kg. In US\$ terms, the EMI has dropped by 18%. Compared with the start of the 2020/21 season, the EMI is 2% higher now in A\$, and 14% higher in US\$. The A\$ has risen from 69.2 UScents at the start of July to 75.6 UScents now.

Of the various micron indicators, ultrafine wool has done best, as the chart shows. In A\$ terms, the year-on-year decline is smaller for this wool than for broader Merino wool and for Crossbred wool, while current prices are higher for wool 20 micron and finer than they were at the start of the season. In US\$ terms, these trends are even more accentuated. However, even in US\$ terms, prices for Crossbred wool (26 micron and broader) are all below what they were at the start of the season.

Further details, including a chart showing the change in wool prices in A\$ and US\$ year-on-year and compared with the start of the 2020/21 season and a second chart showing the trends in the EMI in A\$, US\$ and Euro, are provided in the full edition of this week's edition of the *Weekly Newsletter*. Available to NCWSBA members.



THIS IS THE LAST NCWSBA WEEKLY NEWSLETTER FOR 2020. THE NEWSLETTER WILL RESUME ON FRIDAY, 15th JANUARY 2021 THE NCWSBA OFFICE WILL BE CLOSED FROM 22ND DECEMBER 2020 TO 7TH JANUARY 2021 INCLUSIVE



On behalf of the Board of the National Council of Wool Selling Brokers of Australia, I wish you all a well-deserved restful and enjoyable Christmas and a much better and prosperous 2021.

INDUSTRY EVENTS

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

THE AUSTRALIAN WOOL MARKET IS IN RECESS FOR THREE WEEKS OVER CHRISTMAS-NEW YEAR. SALES RESUME IN THE WEEK BEGINNING 11TH JANUARY 2021.

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