



The National Council of Wool Selling Brokers of Australia Inc

NEWSLETTER

Unit 9
42-46 Vella Drive
Sunshine West Vic 3020

Phone: 03 9311 0152
Fax: 03 9311 0138
E-mail: newsba@woolindustries.org
Twitter: @woolbrokersaus

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From the desk of Chris Wilcox, Executive Director

- Australian dollar's 2-year high a headwind for wool prices
- Raw wool demand from the 5 major exporters weakens
- Prem shorn Merino wool volumes on the rise, but discounts increase
- Upcoming events



Sample Article

Raw wool demand from other major wool exporting countries slides

Data on exports from the five major wool exporting countries (Australia, New Zealand, Argentina, South Africa and Uruguay) for the calendar year 2017 to May shows only Australia and South Africa have recorded an increase in wool exports in 2017. New Zealand and Argentina have both seen a large drop in exports, while exports from Uruguay have also fallen. Exports from NZ have fallen in each of the past two years while exports from Uruguay have dropped three years running.

The most significant driver of these trends in exports (whether it be higher for Australia or lower for NZ, Argentina and Uruguay) is China. Exports to China from NZ, Argentina and Uruguay have fallen by 37%, 36% and 21% respectively for the five months to May in 2017. For Australia, exports to China have lifted by 11% despite the dip in May. The sharp drop in exports to China by NZ, Argentina and Uruguay have outweighed the increase in exports by Australia, so that total exports to China is down by 4% in the first five months of the 2017 calendar year. Of the other major processing countries, exports to Germany have lifted, but otherwise exports have fallen in the January-May 2017 period compared with the same period in 2016. This suggests that, other than demand for wool from Australia and, to a lesser extent, from South Africa, current demand conditions for raw wool are quite soft. The question is whether the soft demand conditions seen for other countries start to affect demand from Australia.

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INDUSTRY EVENTS

The **NCWSBA Annual General Meeting and Forum** will be held in Melbourne on 24th August 2017

Wool Week will be held at the Crowne Plaza Hotel, Melbourne on 24th to 25th August 2017.

The **2017 Nanjing Wool Market Conference** will be held in Tongxiang, China on 17th to 18th September 2017.

THE AUSTRALIAN WOOL MARKET IS IN RECESSION.

SALES RESUME IN THE WEEK BEGINNING 7th AUGUST 2017

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