



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

2nd November 2018

2018/39

From the desk of Chris Wilcox, Executive Director

- Australian wool prices slide further
- Micron price premium for superfine wool falls back
- AWTA tests down again in October but at a slower pace
- NM and PR-declared wool volumes increase despite a fall in total offerings
- Seasonal conditions remain dry, outlook dry
- Upcoming industry events



Micron price premiums for superfine wool fall

Since the start of the 2018/19 season to 2nd November, the EMI fell by 164 cents. There have been falls across all microns with the exception of the 32 Micron Price Guide, which has lifted by 6% (from a very low base). The largest fall has been recorded for the Merino Carding Indicator, which is 410 cents or 27% lower. Of the main fleece types, the biggest falls have been for wool of 16.5 micron and finer, which is down by 415 cents (or 14%) since the start of the season. The broad Merino wools (22 micron and 23 micron) have fallen by a lower proportion, down by 6% to 7%. These larger relative falls for the superfine wools have meant that the price differential for fine and superfine wool relative to medium Merino wool (21 micron) has fallen sharply, the price premium for 18 micron and 19 micron wool is now well below the recent peak of 12-18 months ago and also below the long-term average. In contrast, the price differential of 21 micron wool over 23 micron wool is now very low. The price discount for 26 micron wool is at a record level.

One key reason for the pull-back in the price premium for superfine wool is the increased availability of this wool. The latest AWTA test statistics shows that the volume of 18.5 micron and finer wool tested was 24% higher in the July-October period, while 19-24 micron wool was down by 23%.

Further details including a chart showing the trends in the price differentials of 18 micron, 19 micron, 23 micron and 26 micron wool compared with 21 micron wool is available in the full edition of the NCWSBA *Weekly Newsletter*. Available to NCWSBA members.

INDUSTRY EVENTS

The **Australian Wool Production Forecasting Committee** meets on 14th November 2018.

The **IWTO 2018 Roundtable** will be held in Buenos Aires on 3rd to 4th December 2018.

The **IWTO 2019 Congress** will be held in Venice on 9th to 11th April 2019.

WOOL SALES WEEK BEGINNING 5th NOV 2018 – week 19 (roster as at 1/11/2018)

Sydney

Wed, 7th Nov, Thurs, 8th Nov 8,942 bales

Melbourne

Wed, 7th Nov, Thurs, 8th Nov 19,686 bales

Fremantle

Wed, 7th Nov, Thurs, 8th Nov 7,068 bales

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