



# The National Council of Wool Selling Brokers of Australia Inc

## NEWSLETTER

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2019/08

### From the desk of Chris Wilcox, Executive Director

- Australian wool prices ease back
- What's driving the surge in 28 to 30 micron wool prices?
- AWTA wool tests for the season to date: moving into line with AWPFC forecast
- Update on South Africa
- FAWO call for nominations for 2019 Australian Wool Industry Medal
- Upcoming industry events



### Crossbred wool prices lift

Since the Australian market closed for Christmas in December, prices for Crossbred wool the 28 micron price guide has lifted by 33% and the 30 micron price guide is up by 40%. This is compared with the 8% increase in the EMI since Christmas, while the 18 micron and 21 micron price guides are 5% and 9% higher respectively. Prices have also lifted for this type of wool in Uruguay. Uruguay is one of the world's larger producing countries of 26 to 30 micron wool because a large proportion of the Uruguayan flock are Corriedale sheep. The increases since Christmas, however, need to be taken into context with the longer-term trends. The increases since Christmas is a rebound after prices dipped in September-December. Nevertheless, the current price levels for the 28 and 30 micron price guides are at close to the record levels reached last week. The 26 micron price, on the other hand, is below the record levels seen in mid-2018. The record price for 26 micron wool in mid-2018 was due in part to the 'fake fur' business in China. Then prices dropped back towards the end of the year as the 'fake fur' fabric production season finished in China. Now prices are going up again as the fabric production season in China starts up again for Autumn/Winter 2019 in China.

However, 28-30 micron prices are going up relatively faster this time. A view out of Uruguay is that the Chinese mills are using 27.5 to 30 micron wool instead of 26 micron wool, which is helping drive the prices for these wools in the past two months. This seems plausible. Supply may also be having some impact. The latest wool test data from AWTA shows that wool tested in Australia in the 26.6 to 28.5 micron category is down by 16.1% for the 2018/19 season to February and the 28.6 to 30.5 micron category is down by 36%.

**Further details including a chart showing the trends in the Australian price guides for 26 micron to 32 micron wool are contained in the full version of the NCWSBA *Weekly Newsletter*. Available to NCWSBA members.**

#### INDUSTRY EVENTS

The **Australian Wool Production Forecasting Committee** meets on Monday, 1<sup>st</sup> April 2019 at AWTA in Melbourne.

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

#### WOOL SALES WEEK BEGINNING 4<sup>th</sup> MAR 2019 – week 36 (roster as at 28/2/2019)

<u>Sydney</u>	Wed, 6 <sup>th</sup> Mar, Thurs 7 <sup>th</sup> Mar	10,712 bales
<u>Melbourne</u>	Tues, 5 <sup>th</sup> Mar; Wed, 6 <sup>th</sup> Mar, Thurs 7 <sup>th</sup> Mar	26,597 bales
<u>Fremantle</u>	Wed, 6 <sup>th</sup> Mar, Thurs 7 <sup>th</sup> Mar	8,819 bales

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