



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

29th March 2019

2019/12

From the desk of Chris Wilcox, Executive Director

- Australian wool prices ease again
- Launch of the 2019 NCWSBA Wool Broker Award
- Economic growth begins to falter but consumer confidence remains high
- Growth in clothing retail sales dips in the Northern Hemisphere Autumn/Winter
- Upcoming industry events



Economic growth begins to falter but consumer confidence remains high

There are growing fears that economic growth around the world is slowing at a faster rate than expected. This quicker than expected slow-down in growth comes after a synchronised lift in economic growth in 2017 and 2018 around the world, led by a strong pace of economic growth in the US which was fuelled by wide-ranging tax cuts implemented by the Trump administration. This has led to very low unemployment levels in the US and rising wages. In response, the US Federal Reserve started to lift interest rates in the second half of 2018 to combat an expected rise in inflation rate and cool the economy. It had indicated further interest rate rises were expected in 2019. Now, in response to global signs of slowing growth and rising risks, it has reversed this stance. Overall, the outlook for 2019 and 2020 is less rosy on the global economic front than it has been in the past 2 years.

Despite these signs of dark clouds building over the key economies for 2019 and 2020, consumers remain very upbeat in most of the major wool consuming countries and regions. Consumer confidence in the US dipped at the start of 2019 but rebounded in February on the back of extremely low unemployment levels and rising wages. Confidence among consumers in the EU has waned a bit over the past few months as concerns about Brexit, slowing economic growth and industrial scandals in Germany, political change in Italy and the 'Yellow Vest' protests in France have weighed on consumers. Nevertheless, confidence remains at still high levels compared with many times over the past two decades. In Asia, consumer confidence in China and Japan is quite robust. Only in South Korea have consumers withdrawn and become significantly less positive about the future.

Full details including a chart showing trends in consumer confidence in key wool consuming countries are included in the NCWSBA's *Weekly Newsletter* for the week ending 29th March 2019. Available to NCWSBA Members.

INDUSTRY EVENTS

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

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

Wool Week is on 22nd-23rd August 2019 in Melbourne.

The **Nanjing Wool Market Conference** will be held in Qufu, Shandong on 20th to 23rd September 2019

WOOL SALES WEEK BEGINNING 1st APR 2019 – week 40 (roster as at 28/3/2019)

<u>Sydney</u>	
Wed, 3 rd Apr, Thurs 4 th Apr	9,524 bales
<u>Melbourne</u>	
Wed, 3 rd Apr, Thurs 4 th Apr	21,462 bales
<u>Fremantle</u>	
Wed, 3 rd Apr, Thurs 4 th Apr	7,226 bales

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