



# The National Council of Wool Selling Brokers of Australia Inc

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## NEWSLETTER

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2019/40

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

- Australian wool prices break the volatile pattern and lift again
- Wool prices remain depressed in NZ and the UK
- Decline in AWTA wool test data moderates in October
- Very dry Southern Wet Season and no relief in sight
- Upcoming industry events



### South African wool prices less volatile than in Australia, broad wool prices depressed

Australian wool prices have been extremely volatile week by week over the past month or so, after having fallen sharply in August. Despite this volatility, wool prices in Australia have recovered well from the recent low point of 1365 c/kg in the first week of September. It is now 230 cents higher than that low point but is still 121 c/kg (7%) below the level at the start of the season. Have we seen the same decline and volatility in wool prices in other countries? The situation in South Africa is somewhat confounded by the difficulties that country has had with its exports to China since the start of 2019 arising from the outbreak of Foot and Mouth Disease. After an extended break in auctions from the start of June, auctions in South Africa resumed on 5<sup>th</sup> September with a 28% slump in the Cape Wools Market Indicator (in Rand terms). Prices have since recovered some of the losses and are now 12% below the level at the end of the 2018/19 season. Interestingly, prices in South Africa have not seen the extreme volatility seen in Australia.

Prices for broad Crossbred wool (32 microns and broader) in New Zealand and the United Kingdom remain depressed. After starting the 2019/20 season on a strong note in July, prices in the UK have fallen back again. The British Wool Marketing Board Market Indicator jumped by 18% in the first sale of the season in July but have now dropped away and are 10% below the level at the last sale of the 2018/19 season. In fact, this week's sale saw the BWMB Market Indicator fall to the lowest level in a decade. In New Zealand, the strong wool indicator has moved in a narrow band of between 271 and 282 NZcents/kg this season, much the same as at the close of the 2018/19 season. This level is low, but not historically low as seen in the UK.

**Further details, including a chart showing the trends in wool prices for Australian 18 micron and 28 micron, South African 21 micron, broad wool from the United Kingdom and broad wool prices from New Zealand, are provided in the full edition of the NCWSBA *Weekly Newsletter*. Available to NCWSBA members.**

#### INDUSTRY EVENTS

The **2019 IWTO Round Table** will be held in Queenstown, New Zealand on 2<sup>nd</sup> to 3<sup>rd</sup> December 2019.

The **NCWBA Centenary Auction and Cocktail Reception** will be held in Melbourne on Thursday, 20<sup>th</sup> February 2020.

The **2020 IWTO Annual Congress** will be held in Tongxiang, China on 18<sup>th</sup> to 20<sup>th</sup> May 2020.

#### WOOL SALES WEEK BEGINNING 4<sup>th</sup> NOV 2019 – week 19 (roster as at 31/10/2019)

##### Sydney

Wed, 6<sup>th</sup> Nov; Thurs, 7<sup>th</sup> Nov 9,515 bales

##### Melbourne

Wed, 6<sup>th</sup> Nov; Thurs, 7<sup>th</sup> Nov 18,396 bales

##### Fremantle

Wed, 6<sup>th</sup> Nov; Thurs, 7<sup>th</sup> Nov 8,596 bales

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