



The National Council of Wool Selling Brokers of Australia Inc

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NEWSLETTER



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2020/41

From the desk of Chris Wilcox, Executive Director

- Demand drives prices higher in Australian wool market
- Wool's price competitiveness improves
- Australian wool exports in fall in October, up for the season
- Wool with a National Wool Declaration continues to rise
- Dry November in many parts of eastern Australia
- Upcoming industry events



Wool's price relativity with competing fibres well down on peaks

As reported in the **Weekly Newsletter** on 27th November, prices for cotton and synthetic fibres have risen by more than wool prices in the past few months. This trend has continued in the past fortnight, with cotton and synthetic fibre prices rising again this week. As a result, Australian wool's price competitiveness has improved significantly since the start of 2020. The ratio of the EMI to cotton price has fallen from an all-time peak of 7.92 in February 2019 to 6.32 in February 2020 and is currently sitting at 4.88. The ratio of the EMI against synthetic fibre prices has also fallen from an all-time peak of 7.25 in February 2019 to 6.08 in February 2020 and currently sits at 4.66.

The current ratios of wool against both synthetics and cotton are well below the peak levels reached in late 2018. For cotton, both the current price ratio and the average since January 2020 are well below the levels seen through the 2010s.

This means that wool is more competitive against both synthetics and cotton, which should support demand for wool by garment makers, weavers and knitters.

Further details, including a chart showing the trends in the price ratios between the Eastern Market Indicator and with both synthetic fibres and cotton prices, are provided in the full edition of this week's Weekly Newsletter. Available to NCWSBA members.

INDUSTRY EVENTS

The Australian Wool Production Forecasting Committee will meet on 16th December 2020 to review its current forecast of wool production for the 2020/21 season.

The **2021 IWTO Congress** is scheduled to be held in Kyoto, Japan in May 2021.

WOOL SALES WEEK BEGINNING 14th DEC 2020 – week 25 (roster as at 09/12/2020)

Sydney

Tues 15th Dec; Wed, 16th Dec 10,848 bales

Melbourne

Tues 15th Dec; Wed, 16th Dec 27,961 bales

Fremantle

Tues 15th Dec; Wed, 16th Dec 10,317 bales

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