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Wool down on US exchange drop

The Land

The AWEX Regional Indicators finished 1.4% lower, on average, at sales in Sydney, Melbourne and Fremantle this week when the US exchange rate fell by 2%. The change in the EMI in US currency was -3.5%.

This week's market opened in a similar environment to last week, with low global economic confidence, soft demand and falling prices in US currency that were cushioned by a further devaluation of the US exchange rate. There continues to be significant quantities of cotted and discoloured wool.

The sales opened on Wednesday with an easing across all Merino micron ranges apart from 16.5 micron area in the South, where some good wool was on offer. The greater fall in the WMI included a "catch up" amount for the fall in the East on the previous Thursday when there was no sale in the West.

There was a further easing on Thursday this week, except again for the 16.5 micron wools in Melbourne. There were also some small gains in the 17.0 and 17.5 Micron Price Guides (MPGs) that were not replicated in Sydney. The overall falls were not so evenly distributed on Thursday, with the 18.5 to 20 micron wools most affected.

Crossbred wools, on average eased by similar amounts to Merino wools.

Pass-in rates were less than last week, but were still high by comparison with earlier weeks.

The EMI and WMI followed the pattern of recent weeks, with the spot values less than in the same week last year (-280¢ and -209¢ respectively), but with the season averages higher than last year (by 106¢ and 132¢, respectively).

In other countries, the Cape Wools Indicator was down by 2.5% while Rand by 5.7%; and the Wool Services International fine crossbred (33 - 35 microns) and coarse crossbred (36 - 39 microns) Indicators were up by 2 to 4.5 % in New Zealand.

Among other fibres, July futures for cotton were down by 5.6% from last week to close at 73.62 US¢ on Friday.

33,273 bales were on offer, compared with 39,578 bales last week. 18.1% were passed in, comprised of 17.5% in Sydney, 15.4% in Melbourne and 27.4% in Fremantle. Pass-in rates for Merino fleece and skirtings were 17.6% and 28.7%, respectively.



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