The National Council of Wool Selling Brokers of Australia Inc

NEWSLETTER

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10th May 2019 2019/17

From the desk of Chris Wilcox, Executive Director



- Merino wool prices slide back in the Australian wool market
- Australian wool exports up in March, but volumes down for season to date
- AWH Ltd goes live with new Wool Exchange software system in Melbourne
- 2018 NCWSBA Wool Broker Award winner, Candice Cordy, in Italy
- Calling for nominations for the 2019 NCWSBA Wool Broker Award
- Upcoming industry events

Merino wool prices in the **Australian wool market** fell this week in all three sale centres. In contrast, prices for Crossbred wool lifted and the 28 Micron Price Guide again hit a new record. Despite significant falls of up to 40 cents for Merino wool, the **Eastern Market Indicator** (EMI) only declined by 8 cents to 1952 c/kg. The Western Market Indicator recorded the largest fall, down by 31 cents to 2062 c/kg, while the Southern Market Indicator fell by 12 cents to 1927 c/kg with higher Crossbred prices moderating the declines seen for Merino wool. The Northern Market Indicator fell the least, down by 8 cents 1989 c/kg. The A$ was ½ UScent weaker over the week and so the EMI fell by 15 UScents to 1361 USc/kg. The A$ was also weaker against the Euro, but stronger against the Renminbi. As a result, the EMI was down by 12 €cents to 1216 €cents/kg but was steady in RMB terms at 9267 RMB/kg.

The latest data from the Australian Bureau of Statistics on **Australia's wool exports** shows that the volume of exports lifted by 4% in March compared with a year earlier, while the value of wool exports lifted by 9% in March. As the table below shows, exports to a number of the major destinations for Australian wool recorded good increases in March, led by China.

The increase in wool export volumes in March comes despite the decline in both wool tested and in wool offered at auction for the 2018/19 season to date. However, for the first three quarters of the 2018/19 season, the export volumes were down by 12%, better reflecting the sharp fall in wool production this season. The value of exports was 3% higher year on year. The table below shows the changes in the value and volume of wool exports in total and by major destination for March and for the season to date. As can be seen, there have been some significant increases in exports to certain destinations for the season to date, notably Thailand and South Korea. Exports to 'other' countries have also increased significantly. Many of the major export destinations have recorded declines in volume terms.

Table: Australian wool exports by major destination country

% change on year earlier	March 2019		Season to March 2019		Total for 2018/19 season to March	
	Volume	Value	Volume	Value	mkg greasy	$million
Total	**+4%**	**+9%**	**-12%**	**+3%**	**224.9**	**2,917.1**
China	+9%	+15%	-17%	-1%	166.1	2,134.9
India	+5%	+14%	-1%	+16%	13.7	180.8
Italy	-38%	-41%	+2%	+13%	12.4	217.6
Czech Republic	-32%	-26%	-36%	-21%	8.6	101.5
South Korea	-8%	-12%	+59%	+85%	8.4	88.3
Thailand	+99%	+54%	+167%	+145%	3.0	37.3
Egypt	-33%	-9%	-23%	-8%	2.1	36.1
Malaysia	-51%	-46%	-41%	-34%	1.5	16.8
Taiwan	-12%	+2%	-24%	+7%	1.4	20.2
Others	+35%	+51%	+56%	+81%	7.8	83.6

AWH Ltd went live with its **new Wool Exchange Auction Software system** in Melbourne this week. There are noticeable changes to the sale room screen, which is displayed in colour and provides more information, including sale order, progress of sale order and lots remaining and the % pass-in rate all live as the sale progresses. There is also live streaming of the auction from Room 1 in Melbourne, which is available to brokers and their wool grower clients who wish to view auctions remotely. I saw the new screens on Thursday (yesterday) and the changes look good. At a later date, AWH will add a secondary new "Exporter" Screen to the auction room, featuring the last 5 lots sold, calculated to the five common yields in clean price, the progressive $ value sold for the day and exchange rate in US & EUR currencies (updated every 10 minutes), among other things. AWH intends to roll the new platform out in Fremantle and in Yennora (Sydney) over the next couple of months and be fully in place by the July recess. The platform is available to brokers who engage AWH as their auction service provider. Brokers who engage AWEX in Sydney or Perth for auction services will continue to use AWEX's software.

The **winner of the 2018 NCWSBA Wool Broker Award, Candice Cordy of Landmark Bendigo**, travelled to Italy in April as her prize for winning the 2018 Award. I accompanied Candice for the ten days visiting mills and attending the IWTO Congress in Venice. For the first week we visited a number of mills around Biella, which is set in the foothills of the Italian Alps in the north-west of Italy. The mills we visited were Fibre Nobili (a spinning mill which is part of Loro Piana and which spins superfine wool, alpaca, guanaco, cashmere etc), Lanecardate (a woollen spinning mill which specialises in superfine wool, cashmere and other noble fibres), Pettinatura di Verrone (combing mill owned by the Schneider Group) and Successori Reda (a major spinning and weaving mill producing elite wool fabrics). All of the mills were very generous with their time and Candice had personal explanations given by senior people at each mill. The Schneider Group was particularly generous. We are very grateful to all. The first photo shows Fabrizio Botto of Reda explaining some of the finer details of spinning to Candice.





In the second week of the trip Candice attended the 2019 IWTO Congress in Venice and was part of the IWTO Young Professionals Program. It is an excellent program which provides a wealth of opportunities for global networking for young people in the industry. The second photo shows Candice talking to two other Young Professionals who attended the Congress - Vikki Berntsen and Farrah Peck, both of the Falkland Islands Wool Company.

REMINDER: Calling for applications for the NCWSBA Wool Broker Award for 2019. This year's winner will be granted a **trip to Tongxiang in the Zhejiang Province, China to attend the 2020 IWTO Congress in May 2020.** Arrangements will also be made for the Award winner to visit the wool textile industry in China. Closing date for nominations is Friday, 21st June. For an application form contact chris.wilcox@ncwsba.org.

OTHER INDUSTRY EVENTS

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

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

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

WOOL SALES WEEK BEGINNING 13th MAY 2019 – week 46 (roster as at 9/5/2019)

Sydney	
Wed, 15th May, Thurs 16th May	8,556 bales
Melbourne	
Wed, 15th May, Thurs 16th May	18,726 bales
Fremantle	
Wed, 15th May, Thurs 16th May	6,079 bales

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