The National Council of Wool Selling Brokers of Australia Inc

NEWSLETTER

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From the desk of Chris Wilcox, Executive Director



- After the wool price fall comes a rise, then a fall, then a rise…
- NCWSBA Centenary celebrations February 2020
- Exports from the five major exporting countries fall sharply
- Raw wool demand by all the major processing countries declines
- Upcoming industry events

Another week of volatility in the **Australian wool market!** Prices for most wool types bounced back this week after the decline of last week, continuing the volatile pattern which I think will continue for the next few months. The **Eastern Market Indicator (EMI)** rose by 32 cents to 1543 c/kg. Prices for all the Merino wools and finer Crossbreds increased, but prices slid for broad Crossbreds and Merino cardings. The Western Market Indicator lifted by 43 cents to 1653 c/kg, the Southern Market Indicator rose by 34 cents to 1527 c/kg and the Northern Market Indicator was 29 cents higher at 1567 c/kg. The A$ was stronger against the US$ and Euro, but a little weaker against the Renminbi. The EMI was 26 UScents higher to 1041 USc/kg, by 21 €cents to 948 €cents/kg and by 151 RMB to 7,406 RMB/kg.

The **National Council of Wool Selling Brokers of Australia** will celebrate its Centenary in 2020. It was established in December 1919 and held its first meeting in January 1920. NCWSBA is the only national organisation representing wool brokers on all issues that affect the Australian wool industry. The Australian wool industry is an iconic part of Australia's history and its economy and wool broking companies have played a vital role in that history and the industry's contribution to the Australian economy. The celebration of the NCWSBA Centenary will also celebrate the role of wool brokers in this iconic industry.

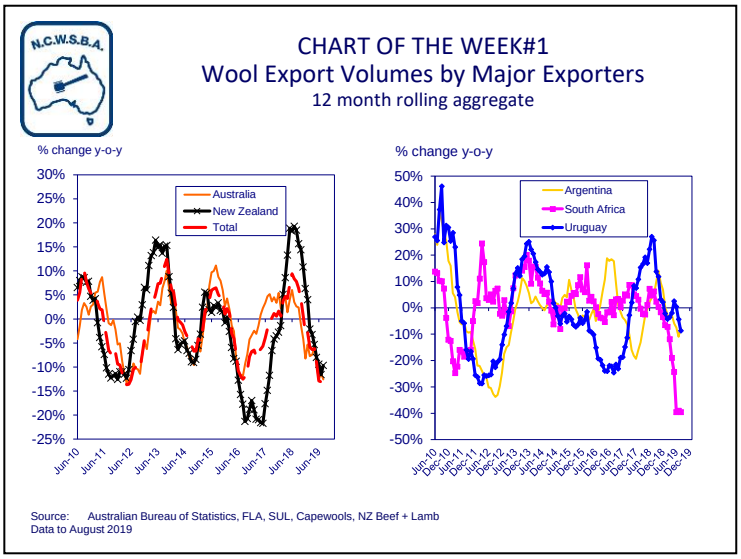
The Centenary of NCWSBA will be marked in February 2020 by the **NCWSBA Centenary Auction on 20th February 2020**, followed by a cocktail reception. The auction will be a commercial auction with limited volumes and held at 120-138 King St, Melbourne on Thursday, 20th February 2020. The four-storey building housed the Melbourne Wool Exchange which held auctions there until 1972. It was also the location of the first NCWSBA Board meeting in January 1920. It is currently the Melbourne campus of the Australian Institute of Music.

The **cocktail reception** will be held in the Intercontinental Melbourne The Rialto. One of the two buildings which make up the Intercontinental Melbourne The Rialto was previously known as the Wool Exchange Building and was the location of the first amalgamated wool exchange and incorporated an auction hall which brought together all the Melbourne wool sales. The other building housed offices for wool warehousing and broking companies, including Strachan & Bostock. For a period in the early 1900s it housed the offices of the Melbourne Woolbrokers' Association.

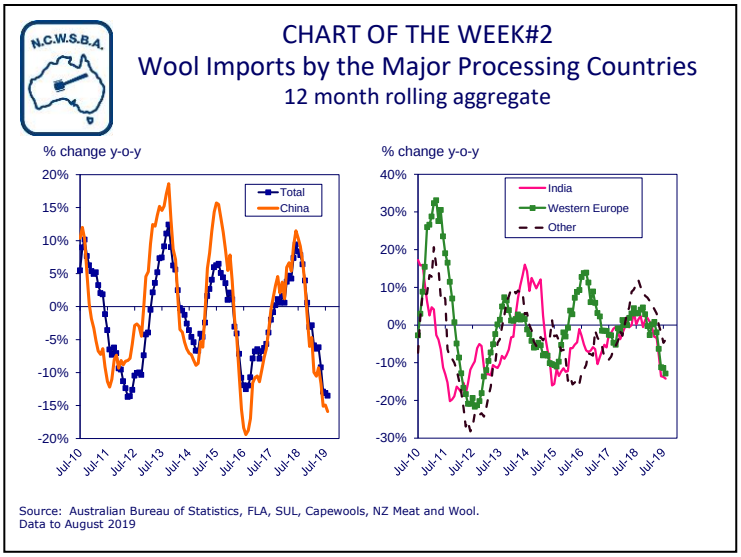
The cocktail reception will feature a charity auction of suit lengths and active wear. All monies raised in the charity auction will be donated to the Michael Manion Wool Industry Foundation. **I will send a 'Save the Date' email early next week, with invitations distributed in the next couple of months.**

Wool prices have dropped sharply in the past few months, reflecting sharply lower demand and comes despite the lower volumes of wool available from Australia. The fall in demand is illustrated by the decline in the volume of **wool exported by the five major wool exporting countries** (Australia, New Zealand, Argentina, South Africa and Uruguay). For the first eight months of 2019, total wool exports from these five countries were 11% lower than for the same period in 2018. At just 352 mkg greasy, it is the lowest total export volume from these countries for a year to August at least since 2009 (which is when my databases start) and probably for many years before that.

The first **Chart of the Week** shows the trends in the % change year-on-year in the 12-month moving aggregate of exports from each of the five countries. All five countries have recorded significant declines in exports in the past 12 months. The largest decline is for **South Africa**, the result of the ban on imports of South African wool by China due to the Foot-and-Mouth Disease outbreak. As you know, **Australia**'s wool production has been hit hard by drought in many parts of the country, which has contributed to the 13% decline for the 12 months to August. But demand has also weakened. **New Zealand**'s wool exports were down by 10%, even though its production was 2.5% lower in 2018/19 and is expected to be 1% higher this season. **Argentina**'s exports were down by 8% and Uruguay's wool exports were 9% lower.



All the **major processing countries** saw a sharp decline in demand for raw wool, as can be seen in the second **Chart of the Week**. Exports of raw wool to China dropped by 16% for the 12 months to August 2019, with the volume of wool well below the level since at least 2009. The other major processing countries also recorded declines in wool volumes imported, with drops of 14% for India, 18% for Italy, and 16% for the Czech Republic. 'Other Europe' saw a smaller 3% decline courtesy of increased exports to Bulgaria. Exports to 'Other' countries fell by just 4% due to better exports to Thailand and East Asia.



INDUSTRY EVENTS

The **2019 AWTA Annual General Meeting** will be held in Melbourne on Friday, 18th October 2019.

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

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

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

WOOL SALES WEEK BEGINNING 14th OCT 2019 – week 16 (roster as at 10/10/2019)

Sydney	
Wed, 16th Oct; Thurs, 17th Oct	11,113 bales
Melbourne	
Wed, 16th Oct; Thurs, 17th Oct	21,108 bales
Fremantle	
Wed, 16th Oct; Thurs, 17th Oct	7,835 bales

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