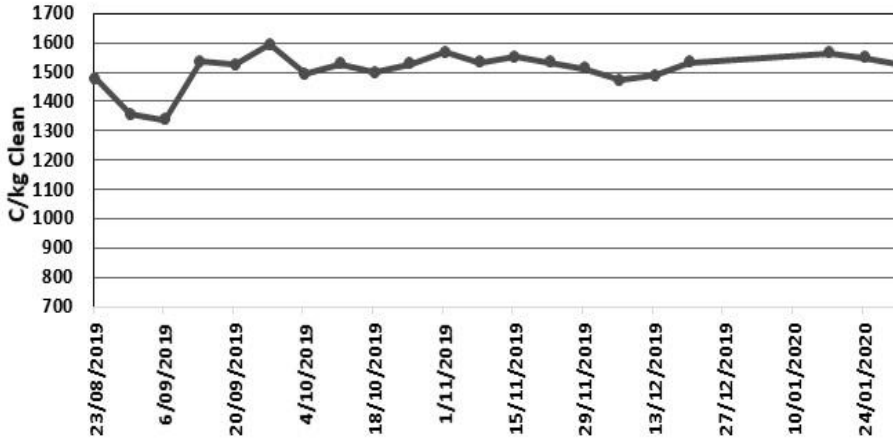


Southern Region Indicator 6 mths



National Offerings

Sale	Estimate
S32/19 AS	11,120
M32/19	17,401
F32/19	8,154
5-6 Feb'20	36,675
S33/19	8,633
M33/19	27,424
F33/19	8,400
11-13 Feb'20	44,457
S34/19	9,030
M34/19	20,446
F34/19	8,250
19-20 Feb'20	37,726

AS=Aust superfine sale

Exchange Rates

Date	AU/US \$
14-Jan-20	0.6904
15-Jan-20	0.6911
16-Jan-20	0.6896
17-Jan-20	0.6896
20-Jan-20	0.6869
21-Jan-20	0.6853
22-Jan-20	0.6836
23-Jan-20	0.6867
24-Jan-20	0.6843
27-Jan-20	0.6759
28-Jan-20	0.6752
29-Jan-20	0.6744
30-Jan-20	0.6718
31-Jan-20	0.6715

The wool market is well known for volatility and this week was a great example of just that. The EMI lost 56 cents on the opening day before recovering 28 cents yesterday to close at 1548 cents. Trade talk late last week suggested the market would be stronger on the back of improved demand and lower sale volumes. However, global health concerns around the Coronavirus impacted confidence over the weekend and by Tuesday trade talk had turned entirely negative. Most exporters and traders adopted a wait and see approach early on the opening day and prices fell sharply. In the merino fleece section, types finer than 18 micron fell by as much as 100 cents clean, while the broader end lost up to 40 cents. Some lots met reasonable competition while others were completely neglected. With growers resisting selling wool at lower prices the fleece pass in rate reached 50%. The market improved on Thursday as significant volumes were withdrawn prior to sale and the pass in rate remaining high. Merino skirtings followed the fleece market before showing some improvement by the close of sale. The Crossbred volumes formed 30% of the Eastern states offerings with prices also easing before recovering by the close of day 1. The Carding market again performed best for the week with all types keenly sought.

Next week 35,849 bales are on offer at the time of print. Enquiry for passed in lots on Friday at increased levels would suggest more improvement next week. That's the wool component, the non-wool component remains in question (Coronavirus)

MICRON INDICIES COMPARISON

AWEX Indicator	This Week 31-Jan-20	Last Week 24-Jan-20	Change	Last Year 1-Feb-19	Yearly Change
17	2004	2073	-69	2508	-504
18	1892	1922	-30	2443	-551
19	1791	1803	-12	2287	-496
20	1767	1776	-9	2251	-484
21	1757	1758	-1	2224	-467
22	1748	NQ	0	2223	-475
23	NQ	NQ	0	2222	0
24	NQ	NQ	0	1915	0
26	1108	1116	-8	1333	-225
28	804	835	-31	1031	-227
30	649	690	-41	848	-199
32	411	439	-28	509	-98
MC	1136	1131	5	1123	13

Major Buyers (Sth)

1	FOX	1639	13.3%
2	TECM	1518	12.3%
3	UWCM	1042	8.5%
4	MODM	1016	8.2%
5	MCHA	936	7.6%
6	EWES	807	6.5%
7	AMEM	781	6.3%
8	PEAM	681	5.5%
9	SETS	495	4.0%
10	VWPM	470	3.8%
	P/I	4841	28.2%

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Gross Return Summary

Micron	17	18	19	20	21	22	26	28	
C/kg Cln	2004	1892	1791	1767	1757	1748	1108	804	
C/kg Gsy	1343	1268	1200	1184	1177	1171	742	539	
\$ a Bale	\$2,551	\$2,409	\$2,280	\$2,249	\$2,237	\$2,225	\$1,410	\$1,023	
Est Nett \$ per Bale	\$2,373	\$2,240	\$2,120	\$2,092	\$2,080	\$2,069	\$1,312	\$952	
\$ Head @ KGs	4	\$54	\$51	\$48	\$47	\$47	\$47	\$30	\$22
	5	\$67	\$63	\$60	\$59	\$59	\$59	\$37	\$27
	6	\$81	\$76	\$72	\$71	\$71	\$70	\$45	\$32
	7	\$94	\$89	\$84	\$83	\$82	\$82	\$52	\$38

Forward Prices

	18	19	19.5	21	28	30
AUCTION	1892	1791	1784	1757	804	649
Feb-20	NQ	1780	NQ	1740	840	NQ
Apr-20	NQ	1800	NQ	1770	840	NQ
Jun-20	NQ	1770	NQ	1740	NQ	NQ
Aug-20	NQ	NQ	NQ	NQ	NQ	NQ
Oct-20	NQ	NQ	NQ	1600	NQ	NQ
Dec-20	NQ	NQ	NQ	NQ	NQ	NQ

This is not advice; clients should not act solely on the basis of information contained in this bulletin. Items herein are general comments only and do not constitute or convey advice per se. The bulletin is published as a helpful guide to clients for their information.

Data sources: AWEX Ltd, AG Concepts, Riemann & OZ Forex. If you no longer wish to receive this report please reply by email to

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