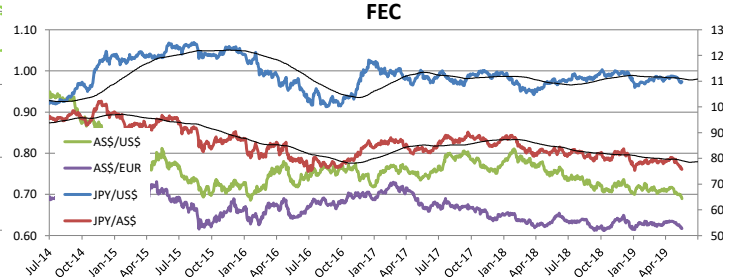
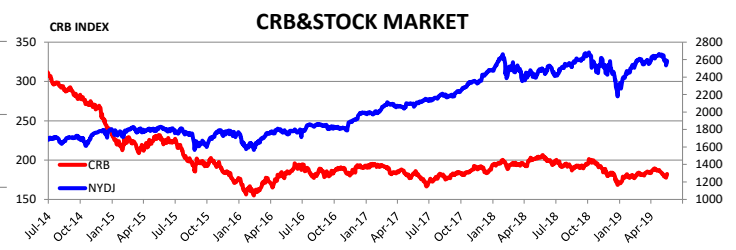
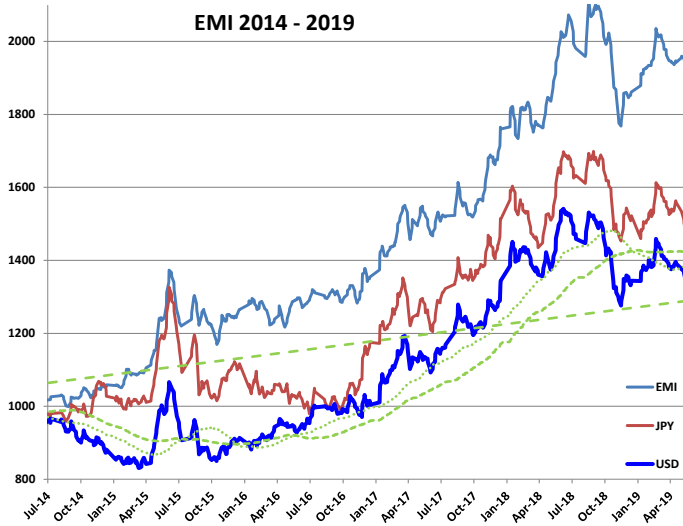


SALE WEEK

46



COMMENTS

Prices at this week Australian wool auctions saw some drastic falls as buyer confidence appeared to desert the market. Heavy falls were recorded of the magnitude not seen for quite some time.

The imposition by the USA of import tariffs on Chinese goods produced a state of nervous-ness in trade. This hesitancy has not been seen since October 2018 when a general lack of business saw the market lose 5% or almost 100ac in just a week. Back then it took three weeks for the confidence to return and the market settled then moved to a positive trajectory and continued to slowly appreciate to fully recover the losses in three months. It can be argued that the influences on the market this week were largely external factors away from specific Australian wool issues, but in this era of free global markets, business confidence pervades into all markets from all business segments. For purely Australian wool interests we are more concerned with the retail activity from domestic China and Europe. This is where our largest volume of middle class and high net worth consumers originate, so the implications these tariffs have on the Chinese economy, rather than the USA, have the majority of influence on the immediate prospects of our markets.

The lifting of the ban on exports from South Africa to China this week was a very good result for all concerned. It was a difficult period for the industry, particularly for those directly involved, but also the broader wool community. Whenever the normal flow of wool is compromised by external forces, uncertainty is created. Available finance has been pushed to the limit and variable market prices between the countries made trading conditions extremely difficult. The fact that the South African wool was selling at a discount to Australian prices until now, meant that the lifting of the ban must have been a strong influencing factor determining the direction of the market in Australia this week. Demand through the pipeline was already very poor. Now that the flow of wool is more transparent, we hope to see standard supply and demand factors to play out and for more confidence to return.

Just 26,000 bales were eventually sold this week with 21% passed in rate. Growers backing their judgement that prices will remain stable in the medium term as supply will be very restricted. Less than 4,000 bales were sold in Fremantle with 45% of the merino fleece failing to meet grower expectations and will remain in store for another day. The staple strength of the offering is actually quite good. According to AWEX figures, despite the drought, one third of the merino fleece offered this week was >40nkt and more than half of the merino fleece with a mid-break < than 50%. It's the yield that is most restrictive to buyers for China in particular. The cheaper Australian dollar failed to add any support to wool prices.

Next week has just 25,637 bales being rostered for auction. The following two weeks of selling after that average just 27,000 bales per week, so amidst the general gloom of this week, any slight shift up in demand will see the market turn positive due limited supply.

今週の羊毛市場は約半年ぶりの大幅下落に見舞われた。出市内容はこれまで通り質量共に貧弱な状況が続いている中、大きく値を崩したのは早懸系の低スペックウールが中心。数少ないベタースタイル&スペックタイプは下げ幅はまだかなり限定されている。またここまで上昇基調が続きレコードプライス圏で推移していた雑種羊毛も大きく失速、今週最大の下げ幅をマークしたのはこのエリア。相場急落の背景については、南アの輸入規制解除を要因の1つと挙げる見方もあるが、結局のところ為替変動合せて専ら外部環境に負うところが大きいとみて間違いはないだろう。特に期待外れに終わった米中の貿易協議はどちらかと言うと中国市場への負のインパクトがより大きいとの懸念が強い為、羊毛に限らず中国への原材料の輸出比率の高い豪州他の資源輸出国は殊為替面での下押し圧力に晒されている。まだ互いの報復関税の実効までは多少の時間的猶予はあるものの、ある程度ゴールがはつきりするまでは貿易関係者も動くに動けない状況が続くそうではある。

翻って業界の事情に目を向けると、6月末のシーズン終了まで供給サイドの状況が改善する見通しは全くなく、また今回の相場急落に伴い羊毛セールにおける販売拒否率は既に3割近くまで上昇しており、今後も軟調相場が続くようであれば出市サイドの価格抵抗は更に激しくなると思われる。この結果この先の相場如何に関わらず所謂適品羊毛については当面益々辛い状況に陥ることが見込まれる。また今回の相場急落がそもそも外部要因に負うところが大きいとみれば見るほど、この先一旦でも状況改善の兆しが見えた時の羊毛相場のリアクションは、市場の底の浅さからかなりダイナミックなものとなる可能性が高い。

もっとも次の秋冬モノに向けた原料手当てについては、既に相場のリカバリーが許される時間的な猶予はもうそれ程残っていないのも事実。例年であればそれは6月2週目あたりまでであり、それ以降は9月まで所謂オフシーズンモードとなる為、目下の相場下落を買い場とみるかどうかの判断は意見が分かれるところだろう。ただ目先の出市状況を冷静に判断すれば、現実問題として今のうちにある程度適品羊毛の確保を優先しておくべきというも間違いではあるまい。

MICRON INDEX

- ~18.5mic 下落。USDベース：▼2~3%
- 19.5mic 下落。USDベース：▼3~4%
- 20.5mic 下落。USDベース：▼3~4%
- 22.0-23mic 下落。USDベース：▼3~4%
- 24.5mic 反落。USDベース：▼4~5%
- XBD's 急反落。USDベース：▼10~12%
- CARDINGS 反落。USDベース：▼4~5%

MAIN BUYERS/BALES

FOX-	3,005	AME-	2,803	STEC-	1,900
TECH-	1,777	EWE-	1,760	KTEX-	1,328
TYN-	1,135	LEMP-	1,060	PJM-	933
GSA-	549				

NEXT SALES

Week 47 (22-23/May)

SYDNEY	7,100	BALES
MELBOURNE	14,032	BALES
FREMANTLE	4,505	BALES
TOTAL	25,637	BALES TO BE OFFERED

<Motohiro Sydney Office>

MICRON INDEX 2014-2019

