

Wool



June Monthly Update



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Key Watchpoints – June

- The AWEX EMI moved higher on tightening supplies and a somewhat steady Australian dollar.
- Prices are expected to fall through June due to lower global demand, despite reduced domestic output.
- ABARES has forecast a fall in production as well as a 2 per cent fall in prices for 2025/26.

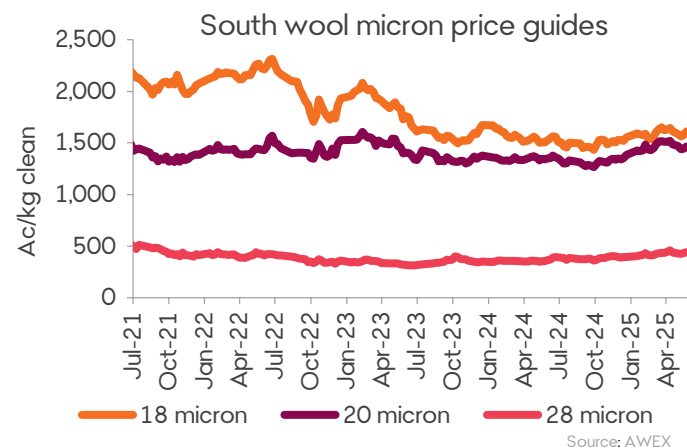
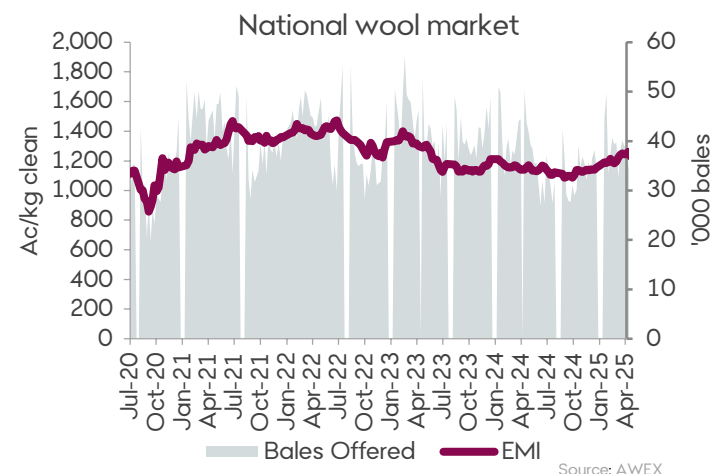
Wool prices find support towards the end of the season

The Australian wool market has moved slightly higher over the past four weeks. The AWEX EMI has risen 8 cents and finished week 49 at 1,199 c/kg, sitting 47 cents up year-on-year.

The Australian Dollar has kept significant pressure on wool prices. The AUD has held relatively steady over the past month and finished week 49 at 64.62 USc. As a consequence, the EMI in USc terms has fluctuated far less over the past month. The EMI in USc is now sitting at 775 USc/kg, up 8 US cents year-on-year.

Merino wools have continued to have volatility in the prices achieved across individual selling days at the three selling centres. By comparison, the medium and crossbred wool types are faring better year-on-year. Week 49 recorded the lowest offering since September 2020, a peak of covid restrictions. Despite the lower supply numbers, demand is limited, particularly across the finer microns used in luxury goods. As the Australian dollar continues to hold its value against the US dollar this is placing downwards pressure on the market.

As predicted by ABARES, looking forward through June to the end of the season, prices are expected to ease further as global demand decreases on trade uncertainty and weaker growth outlooks in China and Italy.

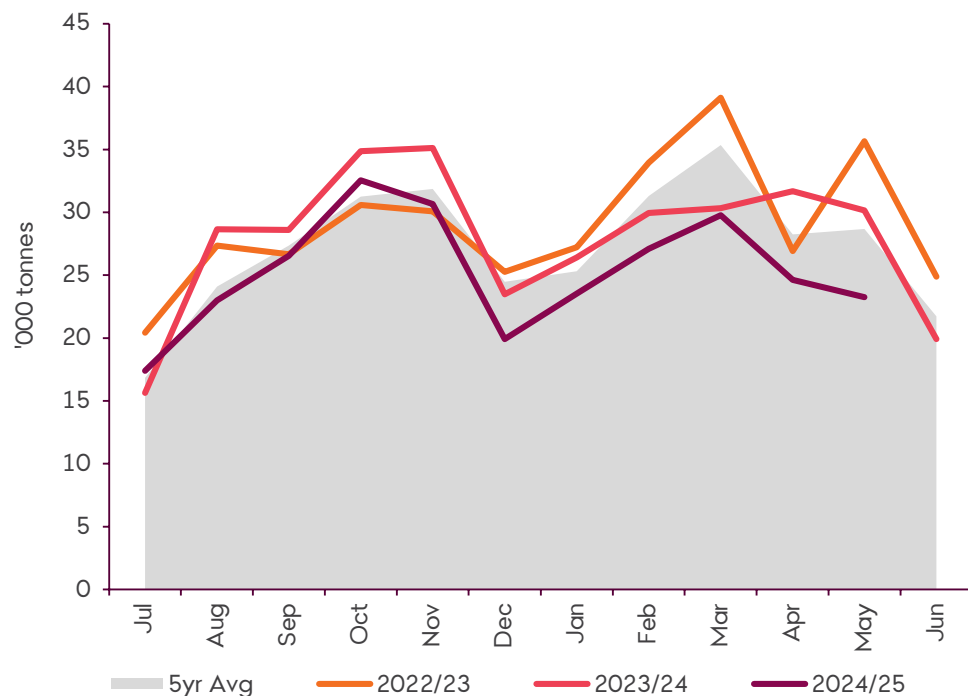


Australian wool test volumes continue to ease

Australian wool test volumes are trending lower for the 2024/25 season compared to both previous seasons and the five-year average. While throughout the first third of the season the test volumes kept pace with the five-year average, since November volumes have been steadily sitting below the five-year average and previous two seasons. As noted in last month's update, the Australian Wool Production Forecasting Committee (AWPFC) estimated an -11.8 per cent decrease in production for the 2024/25 season. For context, the national offering currently lags -14.1 per cent behind last season.

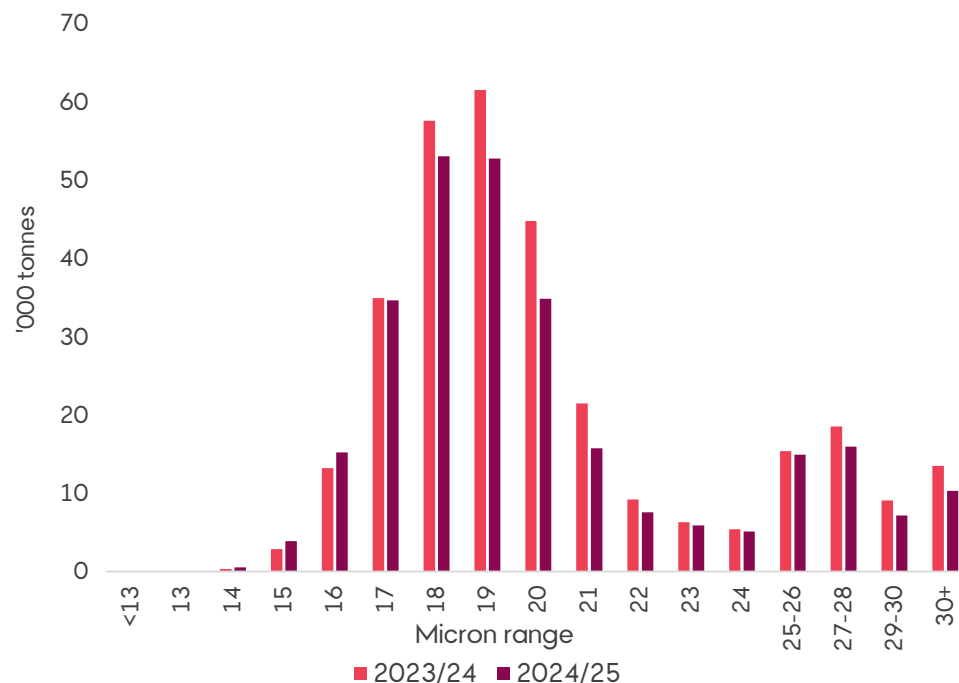
Alongside the declining test volumes overall, it is evident that the finer microns are increasing their proportion of the total volume tested. While the medium microns have decreased compared to the volumes last year, most of the finer wools from 14-17 micron are sitting even or higher than the volumes seen at this time in the 2023/24 season – despite the overall decline in total test volume.

Australian wool test volumes



Source: AWTA

Season-to-date wool test volumes by micron



Source: AWTA

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