

SHEEP & WOOL MANAGEMENT **ADVERTISING FEATURE**

# Short supply of clean wool boosts prices

BY RUTH SCHWAGER

THE rising fine wool market is set to continue, according to Quality Wool managing director Mark Dyson.

The Australian Wool Exchange Eastern Market Indicator closed at 1566 cents a kilogram last week – up from 1550c/kg the previous week.

Finer wools remained strong, with 18 microns closing 2139c/kg – up 36c/kg, 19M increasing by 33c/kg to 1864c/kg and 20M at 1667c/kg – an increase of 6c/kg from the previous week.

In the medium wools, 21M closed at 1582c/kg and 22M closed at 1502c/kg.

The market continued to drop for broader wools, with 28M at 771c/kg – down 34c/kg, and 30M closing at 518c/kg – a decrease of 33c from the previous week.

Mr Dyson said demand for fine wools had been strong due to the limited supply of clean wools.

“This is due mainly to the Australia’s seasonal conditions last year with high rainfall in winter and a good spring in most areas, which has increased vegetable matter content,” he said.

“It was nothing to see six to 10 per cent VM in fleece coming out of NSW. That’s okay in medium wools, but in the fine wool market, a lot of the machinery is not set for that, so buyers are looking for a cleaner wool with good tensile strength.”

Mr Dyson said the market would continue to strengthen for fine wools.

“We’ve had a season high of 2179c/kg for 18M so far and I think we’ll be back up to seasonal highs again this

week,” he said.

Mr Dyson said the limited demand for crossbred wools was due to today’s fashion trends.

“Two years ago we had historical highs for crossbred wool due to big, bulky knitwear and overcoat duffel jackets,” he said.

“Today, we’re seeing a lot of next to skin fabrics; easy care, lightweight fabrics; and finer wools used in outdoor wear and sporting market.”

Demand from China has also increased as there is not a large stockpile.

“The financial policies in China mean it’s a hand-to-mouth situation,” he said. “Because we can buy and ship wool to China in a two-week period, they don’t have to carry large inventories, and I think we’ll see good demand for a while to come.”



**SLIGHT INCREASE:** The Australian Wool Exchange Eastern Market Indicator closed at 1566 cents a kilogram last week – up from 1550c/kg the previous week.