

28 October 2008

Sale Volatility

The AWEX Board met via teleconference on Friday 24 October and discussed concerns raised by Members regarding the recent volatility in offering volumes and the resulting pressure this placed on the current market.

The Board acknowledged that volatility in markets was an example of self-regulated markets in action, it was also recognised that the current situation did not constitute a “force majeure” situation but was something that needed to be carefully monitored for the benefit of all.

The AWEX Board, which consists of Directors elected by Woolgrowers, Processors and Exporters, Private Treaty Merchants and Wool Brokers, fully support self-regulated markets but are also mindful of the impact on all sectors of the industry when highly volatile and late swings in offerings take place.

Currently AWEX provides the latest available information with respect to sale offerings through its Sale Estimates Report.

The impact of sharp market movements affects all sectors from Wool Grower through to Processor. The AWEX Board has asked for a paper reviewing the current system, methodology and possible options to be tabled for their consideration at the next AWEX Board meeting on 27 November 2008. AWEX will consult widely in preparing this paper.

The issue will be referred to NASC for their consideration.

Members seeking more information or input on this issue should contact David Cother or Mark Grave on 02 9428 6100 or email: mgrave@awex.com.au, dcother@awex.com.au.

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