

AWEX showfloor auditing

Tuesday selling required AWEX auditors to attend showfloors in Western and Northern region on Friday afternoons. All auditing and associated compliance reporting to sellers were completed within our service milestones, though these reports tended to be closer to the deadlines than currently experienced. Thursdays tended to be quiet days for showfloor staff if no sale was operating.

Buyer Attendance (Friday afternoons)

AWEX auditors reported that the following companies were regularly in attendance for Friday afternoon valuing:

Region	Companies
North	Michell, Techwool, New England, Morepen, Modiano, Williams, Australis, Chinatex, Peter Rookyard- Various
West	Viterra, Modiano, Fremantle Wool Traders, West Coast Wool, Techwool, PJ Morris, Williams Wool, Chinatex
South	Segard Masurel , New England, Williams, Techwool, Lempriere

Market Reporting

In regard to the actual mechanics of creating and disseminating market information on a given sale day, there was no noticeable difference during the trial period when compared to a usual Wed-Thurs series. AWEX systems require data to be in the right place at the right time. Specifically, the catalogue needs to be 100% audited by close-of-business on the day preceding the sale. This was achieved during the trial by adjusting the timing of the audits.

Compiling the end-of-week reports were at an advantage during the trial as Fremantle did not hold up production on the final day. As a result, the Weekly Market Report (WMR) was able to be published and circulated on Thursday evening. A typical Wed-Thurs series usually results in the WMR being released on Friday morning, particularly during the summer months when there is a three hour difference between the East and West coast.

Market signals

The AWEX-EMI is derived from the North and Southern Indicators; when one centre is offered in isolation the “other” centre is carried forward on an unchanged basis. As a result, a single-centre offering will dampen the movement of the AWEX-EMI as it will move by roughly half the amount it would normally move in a two-centre scenario. While this does occur within the current (non-trial) framework, typically the single-centre will be offering on Tuesday, the beginning of the week, where it has less of an impact.

During the trial, there were two instances where the market **closed** the week as a single-centre, giving a weak signal for market participants leading into the weekend and early the following week. Ideally the selling week should close on an Eastern two-centre basis, regardless of the actual day of the week, in order to give an unambiguous conclusion to the market.