

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW

Week Ending 12 January 2018 (Week 28)

The AWEX EMI reached a new record of 1818¢ when it finished 58¢ higher (+3.3%) in Australian currency and 82¢ higher (+6.1%) in US currency at sales in Sydney, Melbourne and Fremantle this week.

53,517 bales were on offer nationally, compared with 50,913 bales last sale. 3.1% of the offering was passed in.

AWEX reports that the value of the wool sold was \$98.0 million (\$1,889 per bale), taking the season total to \$1.7 billion.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 28)									
Centre	Last Sale		Day-to-Day Changes (Week 28)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	24	1760	+6	+41	+11	+58 (+3.3%)	1818	+82	+58
Northern	24	1841	No Sale	+46	+21	+67 (+3.6%)	1908	+91	+64
Southern	24	1710	+10	+37	+4	+51 (+3.0%)	1761	+75	+52
Western	24	1816	No Sale	+59	+13	+72 (+4.0%)	1888	+94	+68

The market carried on in the same manner from its excellent close before Christmas. The market steadied on Thursday by comparison with Wednesday, but the EMI still moved up by 11¢.

Record values were set for all the AWEX Regional Indicators and for all of the average Merino Price Guides. Gains in the average AWEX MPGs were greatest at 16.5, 17.0, 20.0 and 22.0 microns. The average Merino Cardings Price Guide rose by 71¢ (4.1%) to finish at 1556¢. The EMI did not reach that level until August last year.

The only wools not to share in the good rises were among the crossbreds again, particularly at the coarse end.

The US Exchange Rate finished 2.07¢ (2.7%) higher to close at 78.73¢ on Thursday. It is now back to the levels of last September.

Buyers for China were dominant, with support from buyers for Europe and India.

In other countries, the rise in South African was much less with the Cape Wools Indicator up by 0.2%. But, this was against an 8.3% appreciation of the Rand against the US Dollar and a 7.2% appreciation against the Euro.

Looking ahead, the brokers are currently expecting another 54,000 bales next week, but falling back to around 40,000 in the two following weeks.

Differences in AWEX MPGs	18.5 and 22.0	18.0 and 22.0	17.5 and 22.0	17.0 and 22.0	16.5 and 22.0
North	538¢	668¢	788¢	914¢	1052¢
South	529¢	640¢	770¢	918¢	1013¢

Market Indicator	Changes From			
	Four Sales Ago Week 21	Start of the Season	Week 28 Last Year	Season Average to Week 28 Last Year
Eastern Market Indicator	+149 (+8.9%)	+295 (+19.4%)	+396 (+27.8%)	+283 (+21.4%)
Western Market Indicator	+171 (+10.0%)	+322 (+20.6%)	+390 (+26.0%)	+262 (+18.8%)

Sale-to-Sale Changes in Average AWEX Merino Micron Price Guides (MPGs)												
Micron	16.5	17.0	17.5	18.0	18.5	19.0	19.5	20.0	21.0	22.0	23.0	24.0
Since Last Sale												
Change ¢	+111	+109	+70	+72	+57	+82	+78	+90	+66	+85	+42	
Change %	+4.2%	+4.3%	+2.9%	+3.1%	+2.6%	+3.9%	+3.9%	+4.8%	+3.8%	+5.2%	+2.7%	
Since Start of the Season												
Change ¢	+559	+453	+349	+280	+281	+333	+364	+355	+277	+251	+198	
Change %	+25.5%	+20.7%	+16.2%	+13.4%	+14.2%	+18.2%	+21.4%	+22.1%	+18.1%	+17.1%	+13.9%	
Since Same Week Last Year												
Change ¢	+814	+717	+613	+526	+463	+438	+402	+380	+322	+272		
Change %	+41.9%	+37.3%	+32.5%	+28.4%	+25.8%	+25.4%	+24.1%	+24.0%	+21.7%	+18.8%		

Sale-to-Sale Changes in Other Average AWEX Price Guides						
Micron	25.0	26.0	28.0	30.0	32.0	MC#
Since Last Sale						
Change ¢	-5	+29	+28	+2	-35	+71
Change %	-0.4%	+2.6%	+3.5%	+0.3%	-8.3%	+4.8%
Since Start of the Season						
Change ¢	+71	+44	+55	+38	+6	+394
Change %	+6.0%	+4.0%	+7.2%	+6.8%	+1.6%	+33.9%
Since Same Week Last Year						
Change ¢	+208	+210	+159	+23	-77	+390
Change %	+19.8%	+22.3%	+24.0%	+4.0%	-16.5%	+33.4%

Average Merino Cardings Price Guide

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The following tables show the details of this week's sale offering; the expected offerings over the next three sales; the changes in Exchange Rates since the previous sale; and highlights from the November ABS export data.

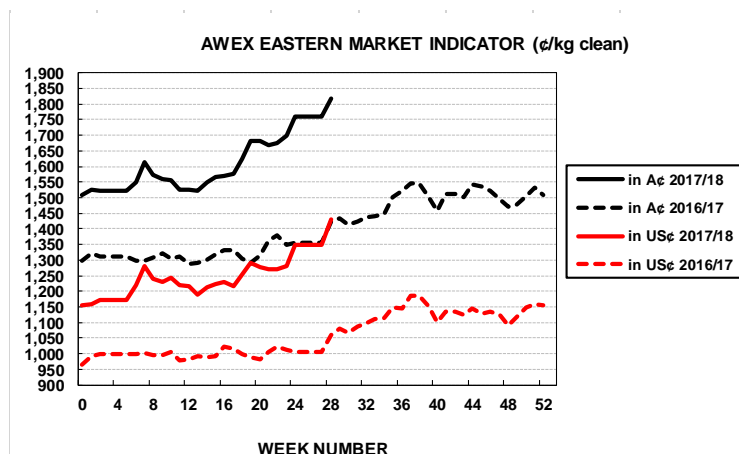
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re-Offered	Bales Sold
North	12,632	12,777	3.4%	2.0%	2.7%	12,339
South	29,346	26,944	2.5%	1.7%	2.6%	26,257
West	8,935	13,796	3.7%	1.8%	2.4%	13,287
Australia	50,913	53,517	3.1%	1.8%	2.6%	51,883

Actual and % Changes in the Progressive Offerings from Last Year	
+15,788	+5.8%
+48,418	+10.4%
-4,970	-2.6%
+59,236	+6.4%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 29	Week 30	Week 31	Differences
North	15,964	10,360	10,510	-7.0%
South	29,659	21,125	18,962	-3.4%
West	8,627	9,676	9,030	-11.4%
New Zealand				
Australia	54,250	41,161	38,502	-6.1%
Differences	-3.3%	-11.2%	-4.2%	

Exchange Rates (Reserve Bank)	Last Sale	Day-to-Day Changes					Sale-to-Sale Change	Closing Value	Season Min & Max	
		Fri	Mon	Tues	Wed	Thur			Min	Max
United States	76.66	+1.91	-0.15	+0.12	-0.26	+0.45	+2.07 (+2.7%)	78.73	75.45	80.00
Euro	64.78	+0.30	+0.13	+0.42	-0.05	+0.32	+1.12 (+1.7%)	65.90	63.94	67.39

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to November	
	November 2017	July to November 2017/18	July to November 2016/17	By Weight	By Value
China	80.1%	77.8%	78.0%	+8.2%	+22.5%
India	4.1%	5.8%	7.1%	-11.7%	+0.5%
Italy	3.9%	5.0%	5.0%	+11.7%	+52.6%
Czech Republic	5.2%	5.9%	5.0%	+19.9%	+20.2%
Malaysia	2.1%	1.6%	1.0%	+72.4%	+116.9%
Korea	1.3%	1.4%	1.7%	-4.9%	-8.0%
Taiwan	0.2%	0.6%	0.7%	-2.6%	-13.7%
Egypt	0.7%	1.0%	1.0%	+5.3%	+38.7%
Change all Countries				+10.6%	+20.9%



AVERAGE EMI	
This Year	1606
Last Year	1408
2015/16	1254
2014/15	1102
2013/14	1070

SEASON AVERAGES		
Region	This Year	Diff
North	1686	+217
South	1556	+186
West	1659	+205

THIS YEAR'S EMI	
This Week	1818
First Week	1524
Low (0/01)	1522
High (0/01)	1818

COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1908	+317
South	1761	+281
West	1888	+322

BALES OFFERED	
This Year	989,256
Last Year	930,020
Difference	+59,236
% Diff	+6.4%
FIRST OFFERED BALES	
Difference	+6.4%
% of Offering	95.7%

REGION BALES		
This Sale:		
North	12,777	
South	26,944	
West	13,796	
Progressive Totals:		Diff
North	289,281	+5.8%
South	512,198	+10.4%
West	187,777	-2.6%

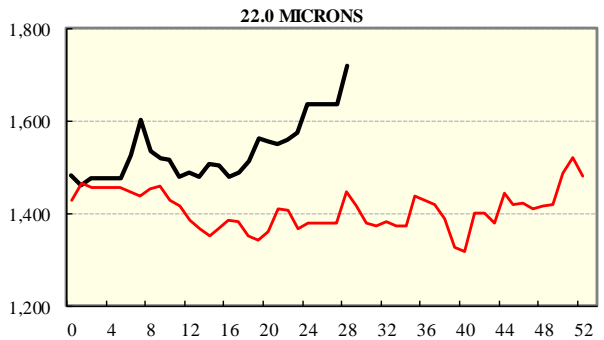
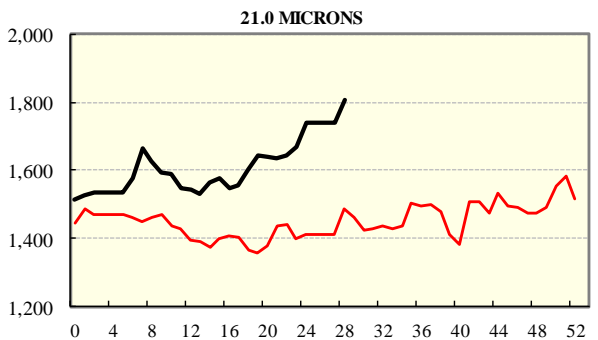
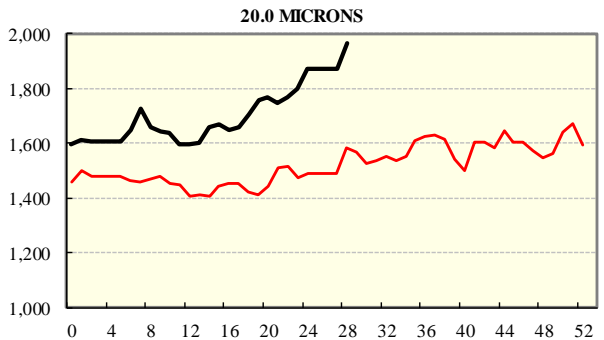
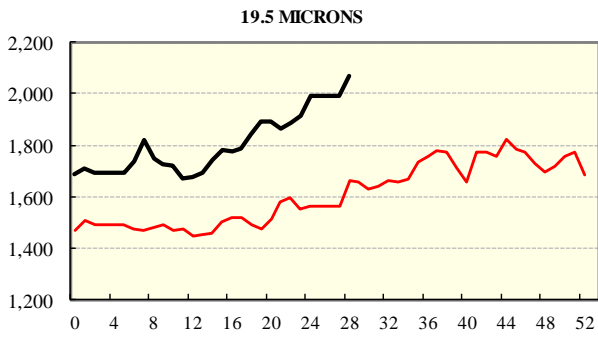
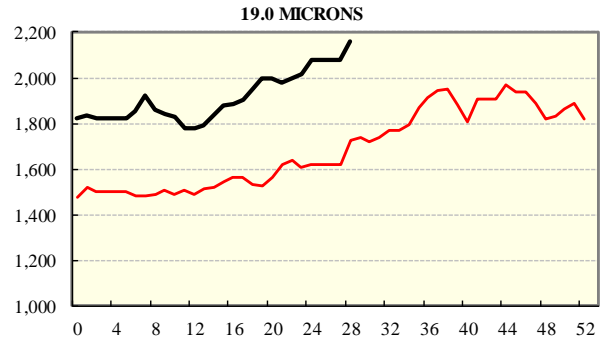
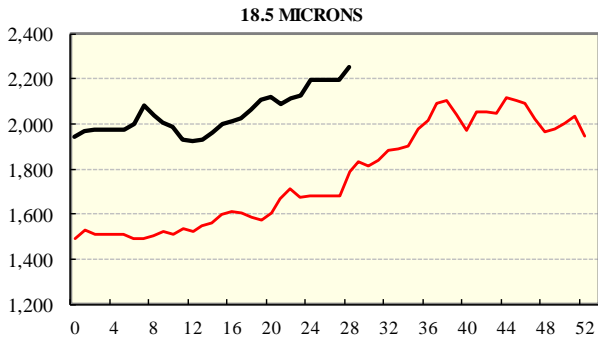
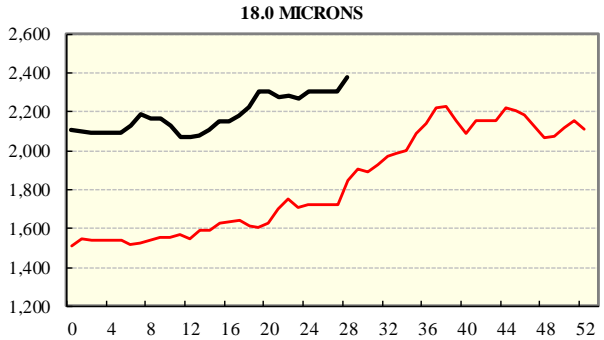
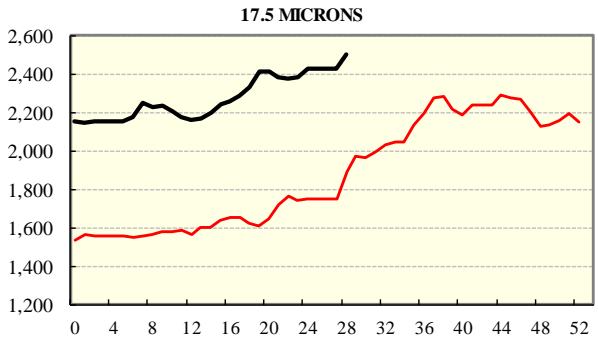
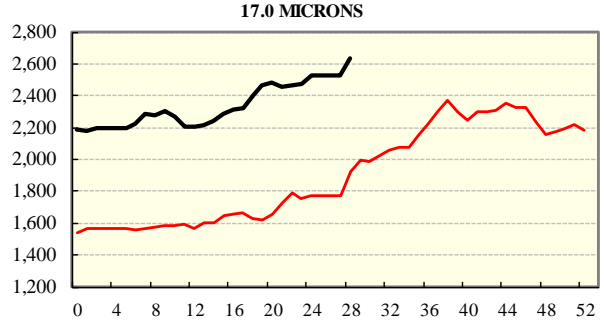
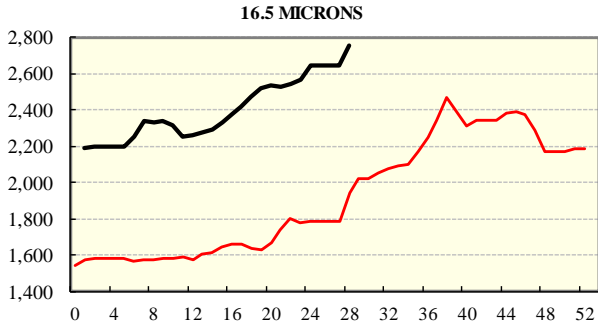
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For further information

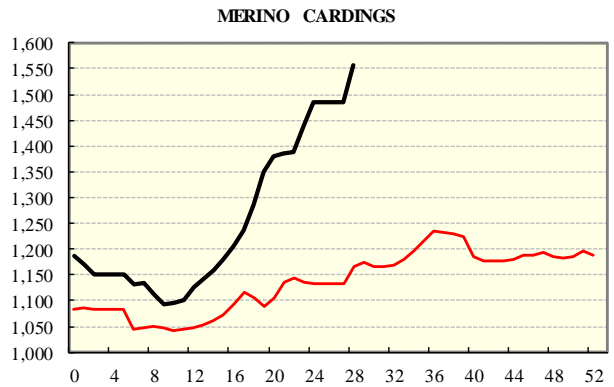
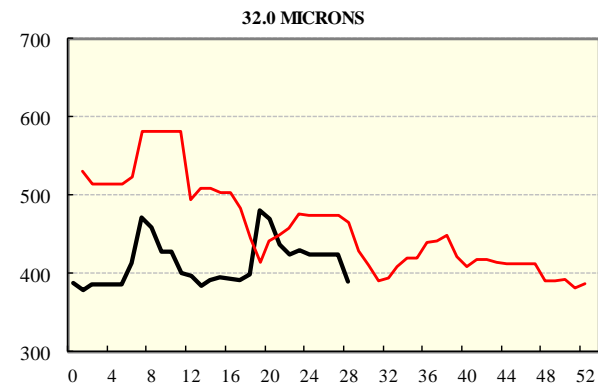
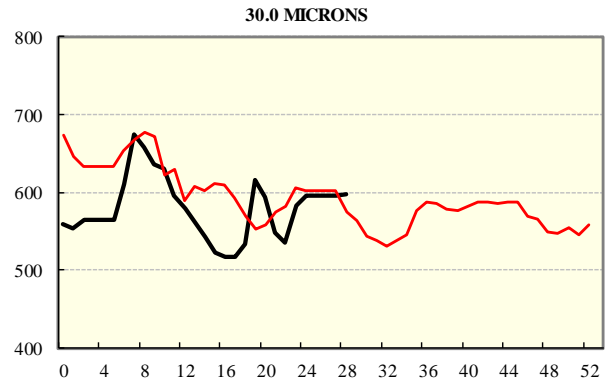
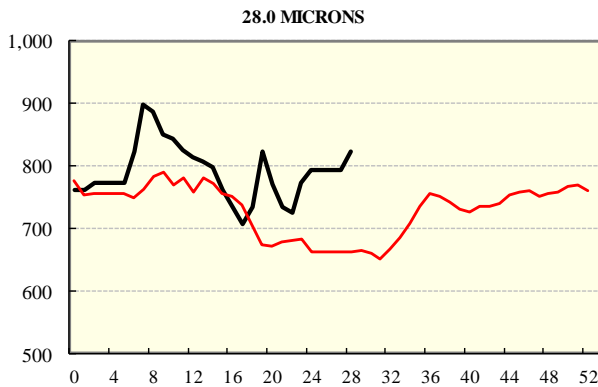
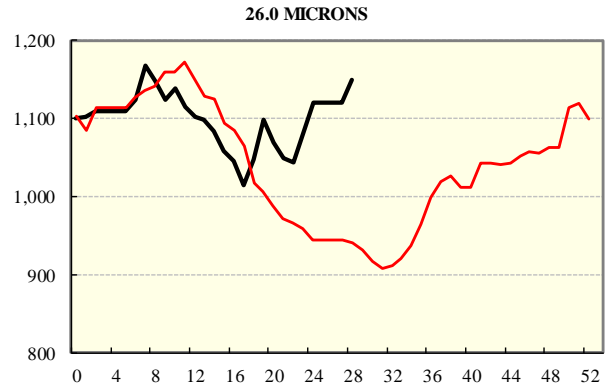
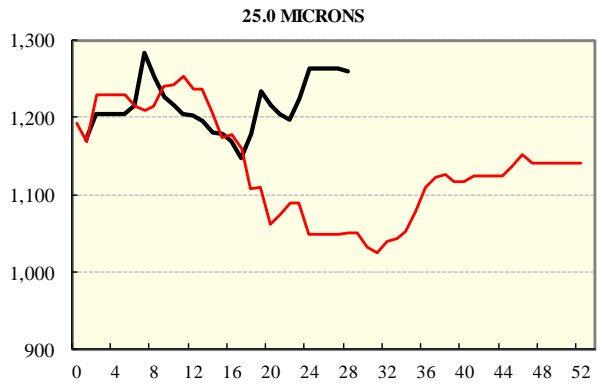
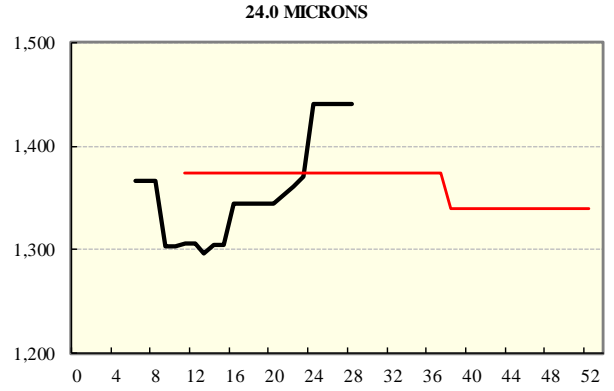
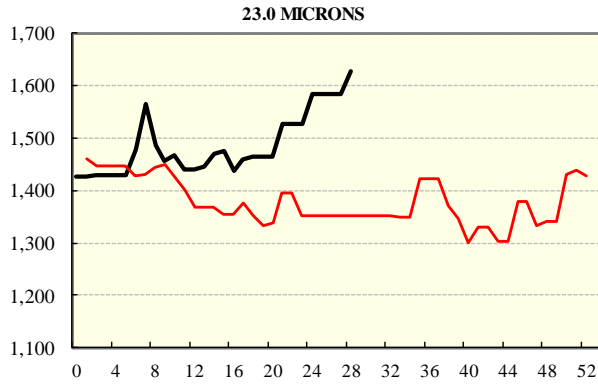
Peter Morgan

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AVERAGE AWEX MICRON PRICE GUIDES
 2017/18(black graph line) and 2016/17 (red graph line)



AVERAGE AWEX MICRON PRICE GUIDES
2017/18(black graph line) and 2016/17 (red graph line)



EASTERN MARKET INDICATOR (EMI) SINCE 1999/00 (¢/kg clean)

(In Australian, United States and European Currencies)

