

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW Week Ending 15 December 2017 (Week 24)

The first half of the season closed at record levels when the AWEX EMI finished 61¢ higher (+3.6%) in Australian currency and 67¢ higher (+5.2%) in US currency at sales in Sydney, Melbourne and Fremantle this week.

50,913 bales were on offer nationally, compared with 48,599 bales last sale. 2.3% of the offering was passed in. This included 1.2% for the Merinos and 5.1% for the crossbreds.

AWEX reports that the value of the wool sold was \$94.5 million (\$1,900 per bale), taking the season total to \$1.6 billion.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 24)									
Centre	Last Sale		Day-to-Day Changes (Week 24)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	23	1699	+14	+52	-5	+61 (+3.6%)	1760	+67	+53
Northern	23	1782	No Sale	+67	-8	+59 (+3.3%)	1841	+66	+53
Southern	23	1646	+24	+43	-3	+64 (+3.9%)	1710	+69	+55
Western	23	1762	No Sale	+80	-26	+54 (+3.1%)	1816	+63	+49

New highs were set for all of the Regional Indicators and for all of the average AWEX Merino Indicators, except for the 16.5 and 18.0 Micron Price Guide, during the week as very keen competition resulted in the AWEX EMI rising by 66¢ over Tuesday and Wednesday before easing back to a 61¢ gain on Thursday.

The EMI has risen by 405¢ (30%) since the same week last year and by 237¢ (16%) since the start of the season. It has been above 1500¢ in all weeks since the middle of June.

The greatest gains among the Merinos were from 19.5 microns up where the rises averaged around 4% since the previous week. It was also a good week for crossbreds up to 30 microns. Merino skirtings and oddments were in strong demand, with the AWEX Merino Cardings Price Guide rising by another 47¢ (3.3%) to close at 1485¢.

The US Exchange Rate finished 1.21¢ (1.6%) higher to close at 76.66¢ on Thursday. Financial analysts attributed the rise to a negative response to the US Federal Reserve's announcement of the likely program of future interest rate rises.

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

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	551¢	658¢	797¢	896¢	1015¢
South	588¢	675¢	789¢	887¢	998¢

Market Indicator	Changes From			
	Four Sales Ago Week 20	Start of the Season	Week 24 Last Year	Season Average to Week 24 Last Year
Eastern Market Indicator	+77 (+4.6%)	+237 (+15.6%)	+405 (+29.9%)	+278 (+21.1%)
Western Market Indicator	+91 (+5.3%)	+250 (+16.0%)	+395 (+27.8%)	+256 (+18.4%)

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 ¢	+77	+55	+49	+34	+69	+60	+76	+72	+73	+61	+58	+69
Change %	+3.0%	+2.2%	+2.1%	+1.5%	+3.2%	+3.0%	+4.0%	+4.0%	+4.4%	+3.9%	+3.8%	+5.0%
Since Start of the Season												
Change ¢	+448	+344	+279	+208	+224	+251	+286	+265	+211	+166	+156	
Change %	+20.4%	+15.7%	+13.0%	+9.9%	+11.3%	+13.7%	+16.8%	+16.5%	+13.8%	+11.3%	+10.9%	
Since Same Week Last Year												
Change ¢	+854	+758	+679	+581	+518	+458	+426	+385	+330	+257		
Change %	+47.7%	+42.8%	+38.8%	+33.7%	+30.8%	+28.3%	+27.3%	+25.9%	+23.4%	+18.7%		

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 ¢	+39	+40	+22	+12	-5	+47
Change %	+3.2%	+3.7%	+2.8%	+2.1%	-1.2%	+3.3%
Since Start of the Season						
Change ¢	+76	+15	+27	+36	+41	+323
Change %	+6.4%	+1.4%	+3.5%	+6.4%	+10.7%	+27.8%
Since Same Week Last Year						
Change ¢	+216	+176	+132	-7	-51	+353
Change %	+20.6%	+18.6%	+19.9%	-1.2%	-10.7%	+31.2%

Average Merino Cardings Price Guide

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AWIS WOOL MARKET REVIEW Week Ending 15 December 2017 (Week 24)

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 October ABS export data.

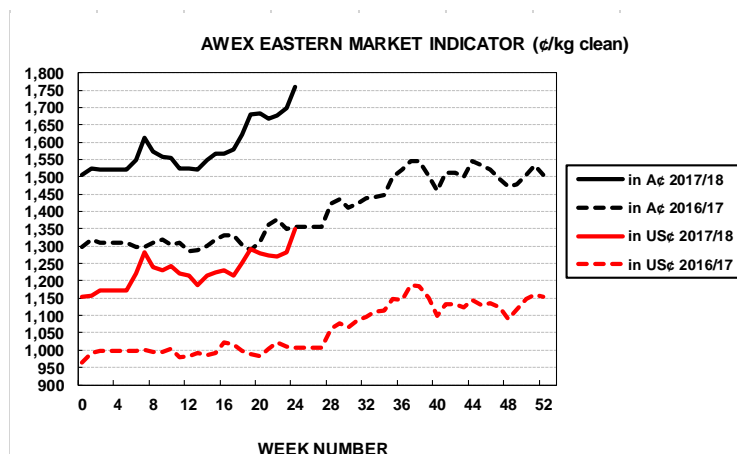
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re- Offered	Bales Sold
North	11,561	12,632	2.1%	1.3%	2.7%	12,362
South	27,728	29,346	2.5%	1.7%	2.4%	28,610
West	9,310	8,935	1.9%	1.3%	4.8%	8,765
Australia	48,599	50,913	2.3%	1.5%	2.9%	49,737

Actual and % Changes in the Progressive Offerings from Last Year	
+17,066	+6.6%
+46,800	+10.7%
-6,768	-3.7%
+57,098	+6.5%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 25	Week 26	Week 27	Differences
North	No Sale	No Sale	No Sale	
South	No Sale	No Sale	No Sale	
West	No Sale	No Sale	No Sale	
New Zealand				
Australia				
Differences				

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	75.45	-0.33	+0.13	+0.08	+0.37	+0.96	+1.21 (+1.6%)	76.66	75.45	80.00
Euro	63.95	-0.08	+0.01	+0.11	+0.41	+0.38	+0.83 (+1.3%)	64.78	63.94	67.39

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to October	
	October 2017	July to October 2017/18	July to October 2016/17	By Weight	By Value
China	79.1%	77.1%	75.8%	+12.1%	+25.4%
India	6.6%	6.4%	7.5%	-5.9%	+7.0%
Italy	4.1%	5.2%	5.6%	+3.2%	+40.2%
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	1596
Last Year	1408
2015/16	1254
2014/15	1102
2013/14	1070

SEASON AVERAGES		
Region	This Year	Diff
North	1675	+206
South	1546	+176
West	1648	+193

THIS YEAR'S EMI	
This Week	1760
First Week	1524
Low (0/01)	1522
High (0/01)	1760

COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1841	+250
South	1710	+230
West	1816	+250

BALES OFFERED	
This Year	935,739
Last Year	878,641
Difference	+57,098
% Diff	+6.5%
FIRST OFFERED BALES	
Difference	+6.3%
% of Offering	95.6%

REGION BALES		
This Sale:		Diff
Region	Bales	
North	12,632	+6.6%
South	29,346	+10.7%
West	8,935	-3.7%
Progressive Totals:		Diff
North	276,504	+6.6%
South	485,254	+10.7%
West	173,981	-3.7%

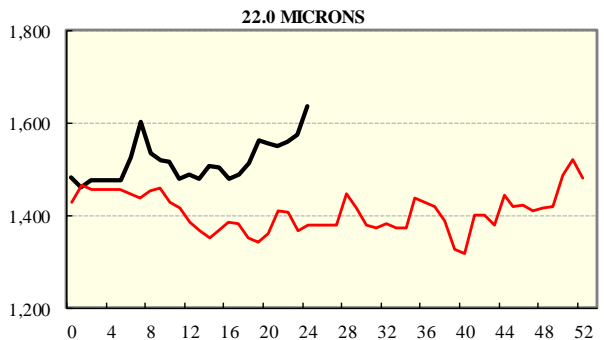
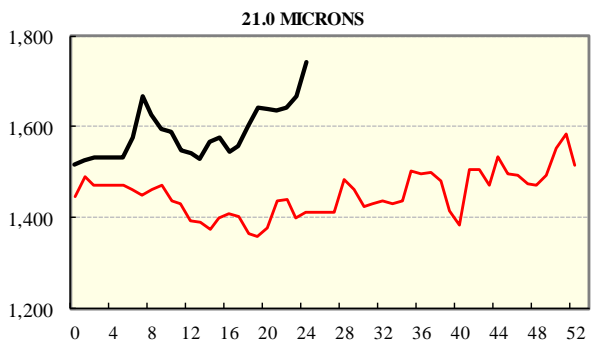
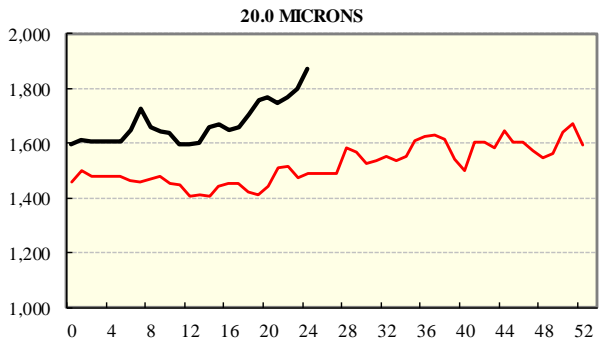
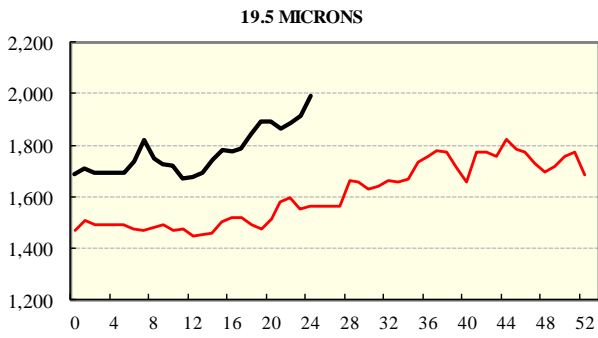
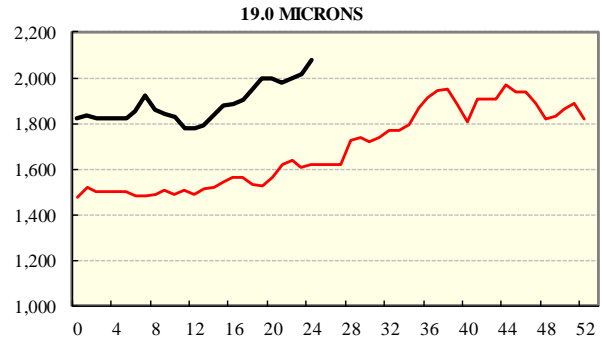
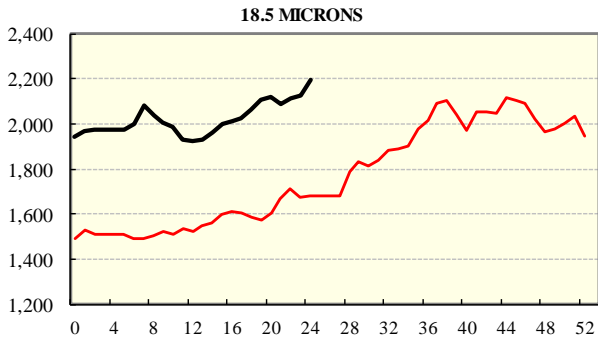
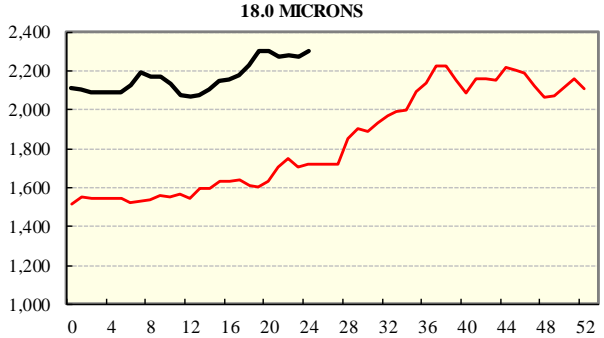
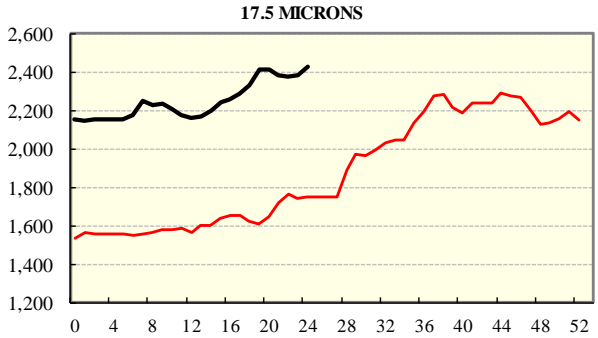
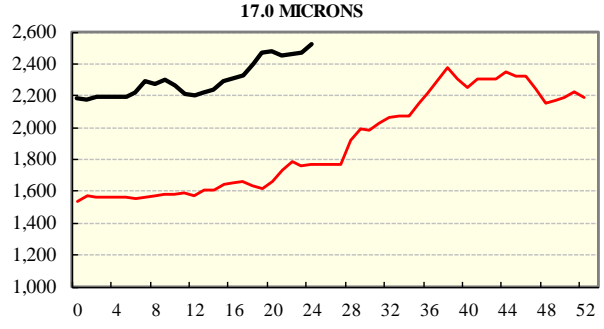
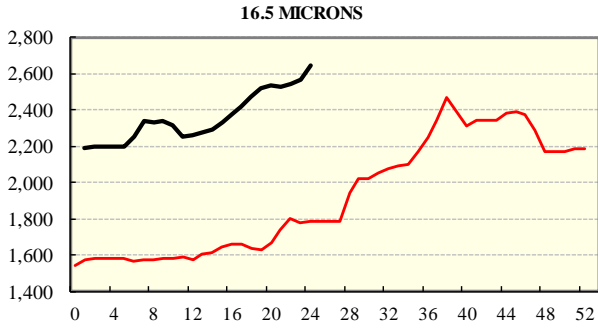
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For further information

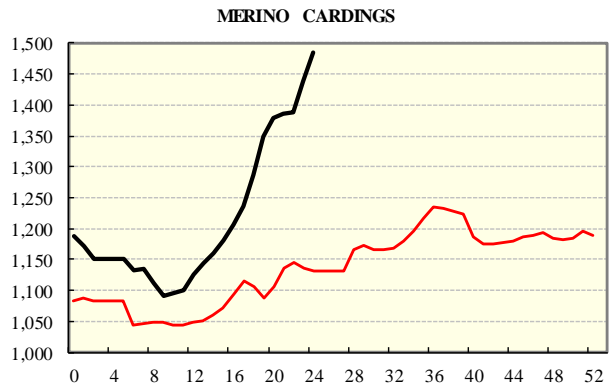
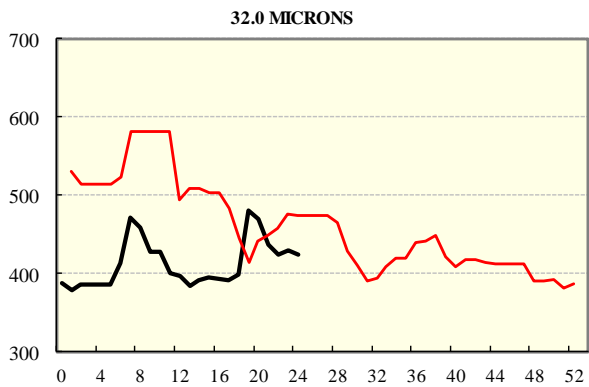
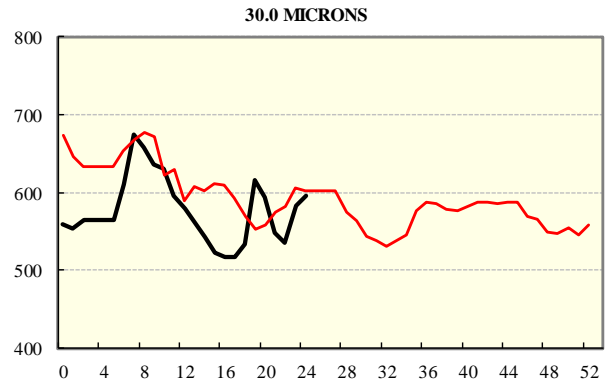
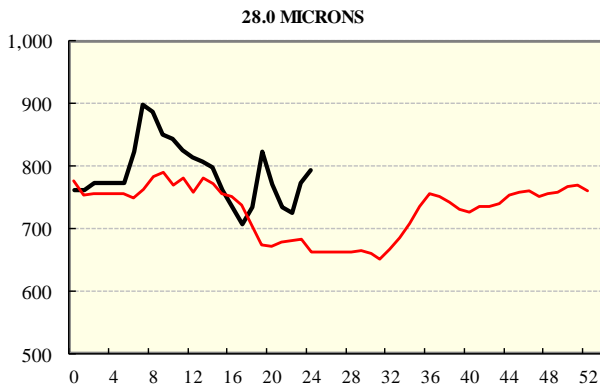
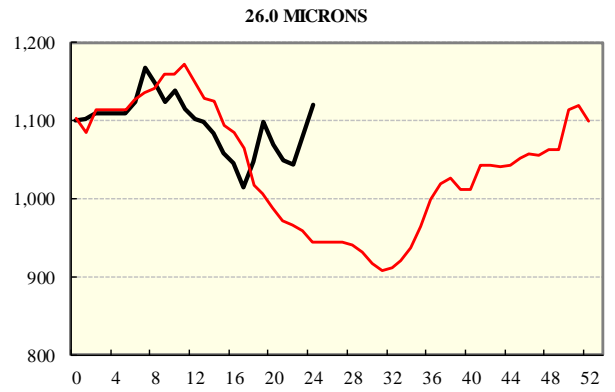
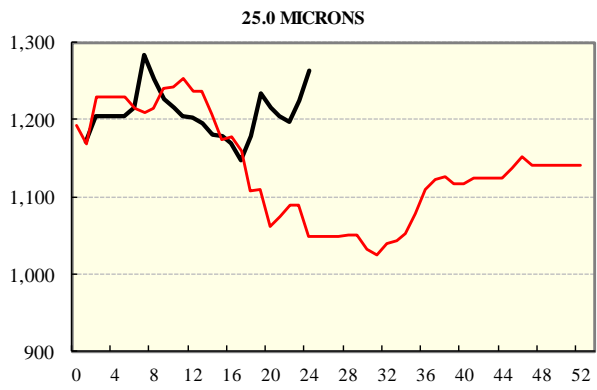
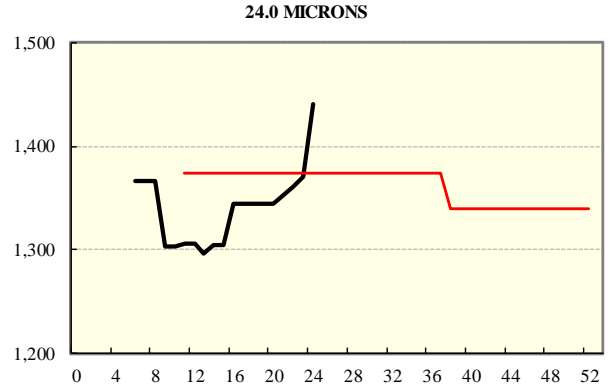
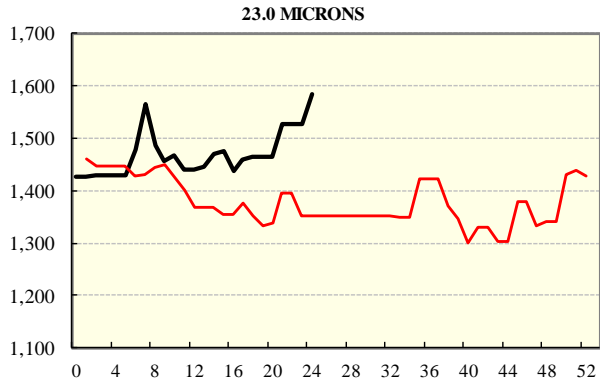
Peter Morgan

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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)



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

(In Australian, United States and European Currencies)

