

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW Week Ending 16 February 2018 (Week 33)

The AWEX EMI finished at 1812¢, 6¢ lower (-0.3%) in Australian currency and 17¢ higher (+1.2%) in US currency at sales in Sydney, Melbourne and Fremantle this week. The fall of 42¢ in the WMI was much greater, but was largely a correction from the previous sale when it moved up by 22¢ more than the EMI did.

This week's sale also featured wools of Tasmania origin in Melbourne on Tuesday. The fine wools with better specifications were reported as being in keen demand.

42,519 bales were on offer nationally, compared with 39,582 bales last sale. 7.8% of the offering was passed in.

AWEX reports that the value of the wool sold was \$81.4 million (\$2,076 per bale), taking the season total to \$2.1 billion.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 33)									
Centre	Last Sale		Day-to-Day Changes (Week 33)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	32	1818	+2	-6	-2	-6 (-0.3%)	1812	+17	-4
Northern	32	1909	No Sale	-20	+4	-16 (-0.8%)	1893	+11	-10
Southern	32	1760	+4	+2	-5	+1 (+0.1%)	1761	+22	+1
Western	32	1921	No Sale	-38	-4	-42 (-2.2%)	1879	-10	-27

It was a good overall, but somewhat mixed, market with significant day-to-day changes for some wools. The EMI at 1812¢ in Australian currency is at its third highest level; and at 1439 US¢ is at its highest level for the season in US currency.

The best performance for the week was in the 16.5 Micron Price Guide, which is now 1133¢ above the 22 MPG in the South and 1141¢ above the 22 MPG in the North. The equivalent figures were 728¢ and 714¢, respectively in Week 33 last year. The average AWEX 16.5 MPG is now 2984¢, 888¢ (42%) ahead of Week 33 last year.

Crossbreds settled after last week's gains, except at the coarse end, where prices eased.

The US Exchange Rate finished 1.21¢ (1.5%) higher to close at 79.33¢ on Thursday.

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

Looking ahead, offerings are expected to average around 40,000 bales over the coming three sales, 8.3% less than in the same period last year.

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	376¢	541¢	744¢	936¢	1133¢
South	359¢	508¢	722¢	863¢	1141¢

Market Indicator	Changes From			
	Four Sales Ago Week 29	Start of the Season	Week 33 Last Year	Season Average to Week 33 Last Year
Eastern Market Indicator	+11 (+0.6%)	+289 (+19.0%)	+372 (+25.8%)	+297 (+22.1%)
Western Market Indicator	+19 (+1.0%)	+313 (+20.0%)	+411 (+28.0%)	+288 (+20.4%)

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 ¢	+19	-42	-37	-30	-50	-49	-39	-32	-13	-2		
Change %	+0.6%	-1.5%	-1.4%	-1.2%	-2.2%	-2.3%	-1.9%	-1.6%	-0.7%	-0.1%		
Since Start of the Season												
Change ¢	+788	+561	+428	+275	+227	+282	+330	+352	+348	+378	+376	
Change %	+35.9%	+25.7%	+19.9%	+13.1%	+11.5%	+15.4%	+19.4%	+21.9%	+22.7%	+25.7%	+26.3%	
Since Same Week Last Year												
Change ¢	+888	+673	+536	+383	+314	+341	+375	+426	+448	+473	+454	
Change %	+42.4%	+32.5%	+26.2%	+19.3%	+16.6%	+19.3%	+22.6%	+27.8%	+31.3%	+34.4%	+33.6%	

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 ¢	+13	+11	+7	0	-25	-9
Change %	+1.0%	+1.0%	+0.9%	0.0%	-5.8%	-0.7%
Since Start of the Season						
Change ¢	+90	+8	+28	+31	+24	+188
Change %	+7.6%	+0.7%	+3.7%	+5.5%	+6.3%	+16.2%
Since Same Week Last Year						
Change ¢	+234	+193	+110	+51	-2	+170
Change %	+22.4%	+21.0%	+16.1%	+9.5%	-0.5%	+14.4%

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 December ABS export data.

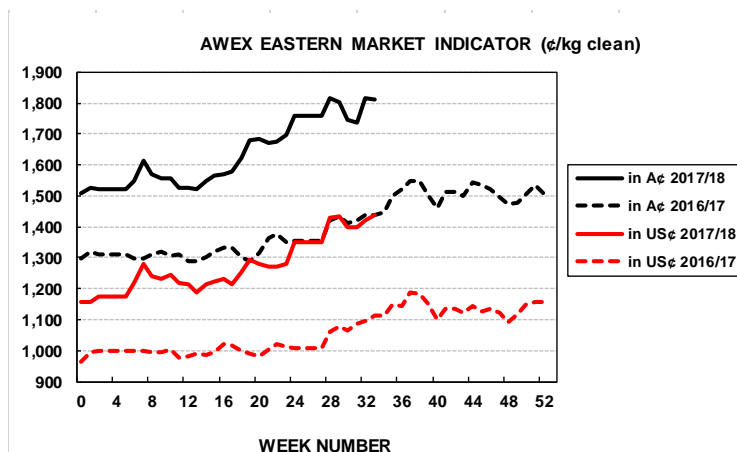
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re- Offered	Bales Sold
North	12,571	8,778	3.2%	1.0%	5.3%	8,499
South	19,886	23,139	6.9%	2.2%	5.3%	21,535
West	7,125	10,602	13.5%	0.8%	7.5%	9,167
Australia	39,582	42,519	7.8%	1.6%	5.9%	39,201

Actual and % Changes in the Progressive Offerings from Last Year	
+11,390	+3.4%
+49,297	+8.5%
-14,947	-6.1%
+45,740	+3.9%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 34	Week 35	Week 36	Differences
North	10,022	11,880	10,500	-9.0%
South	22,786	19,021	21,175	-8.7%
West	9,007	8,050	8,350	-6.4%
New Zealand				
Australia	41,815	38,951	40,025	-8.3%
Differences	-7.4%	-4.1%	-13.0%	

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	78.12	-0.33	+0.55	+0.36	+0.07	+0.56	+1.21 (+1.5%)	79.33	75.45	80.44
Euro	63.72	-0.24	+0.28	+0.20	-0.32	+0.05	-0.03 (0.0%)	63.69	63.69	67.39

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to December	
	December 2017	July to December 2017/18	July to December 2016/17	By Weight	By Value
China	79.3%	78.1%	77.6%	+11.2%	+27.2%
India	3.5%	5.3%	6.7%	-12.2%	-0.4%
Italy	4.4%	4.8%	5.0%	+5.7%	+43.8%
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	1639
Last Year	1408
2015/16	1254
2014/15	1102
2013/14	1070

SEASON AVERAGES		
Region	This Year	Diff
North	1721	+252
South	1587	+217
West	1698	+243

THIS YEAR'S EMI	
This Week	1812
First Week	1524
Low (0/01)	1522
High (0/01)	1818

COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1893	+302
South	1761	+281
West	1879	+313

BALES OFFERED	
This Year	1,207,817
Last Year	1,162,077
Difference	+45,740
% Diff	+3.9%
FIRST OFFERED BALES	
Difference	+4.5%
% of Offering	95.8%

REGION BALES		
This Sale:		
North	8,778	
South	23,139	
West	10,602	
Progressive Totals:		
North	348,637	+3.4%
South	628,450	+8.5%
West	230,730	-6.1%

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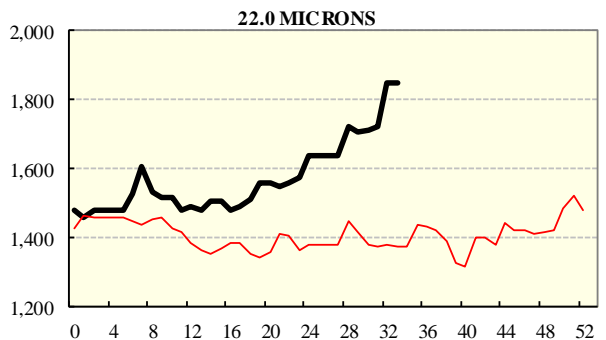
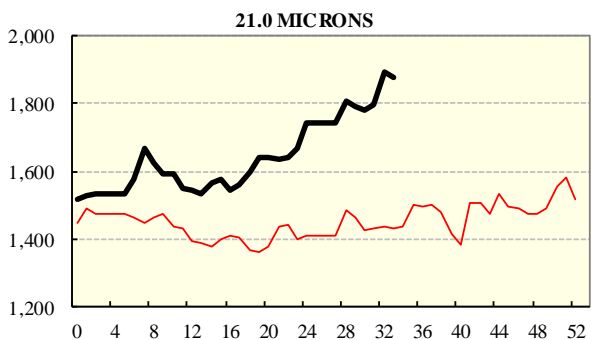
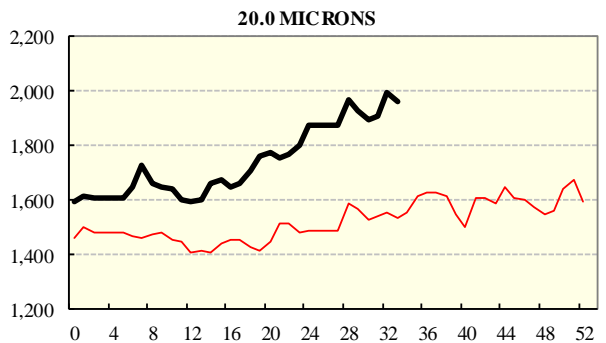
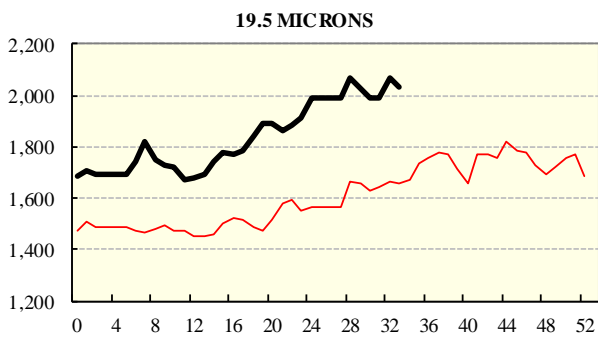
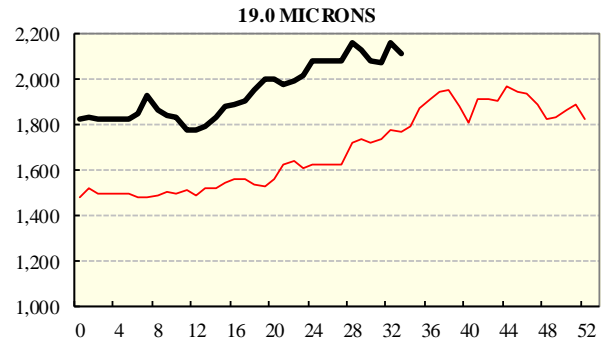
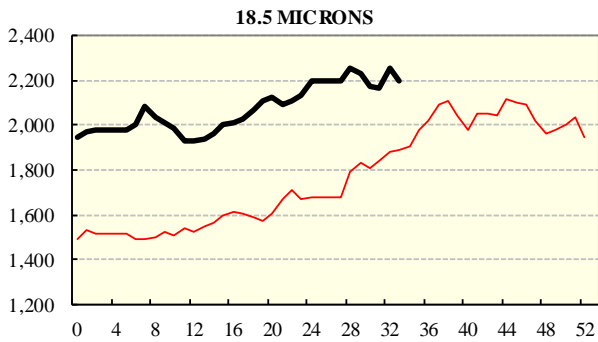
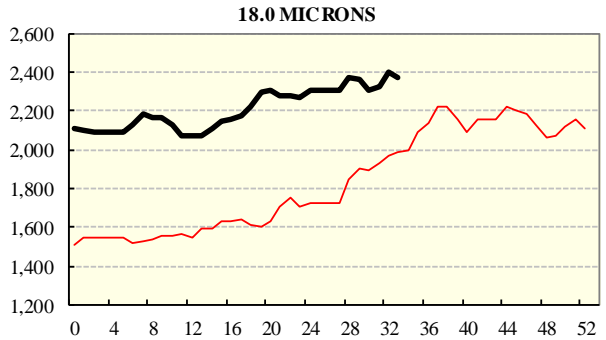
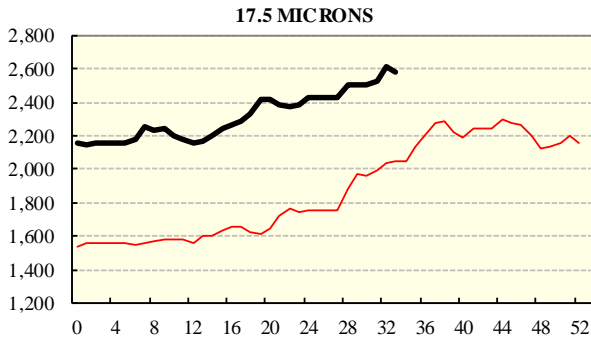
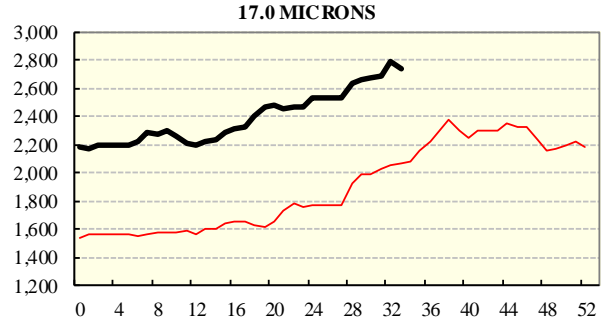
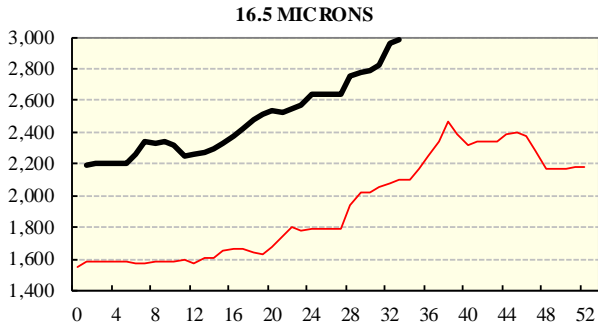
For further information

Peter Morgan

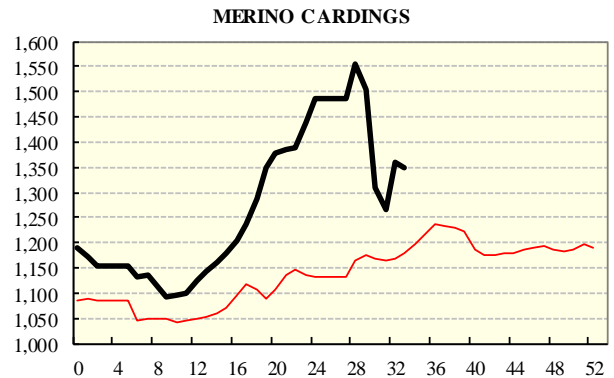
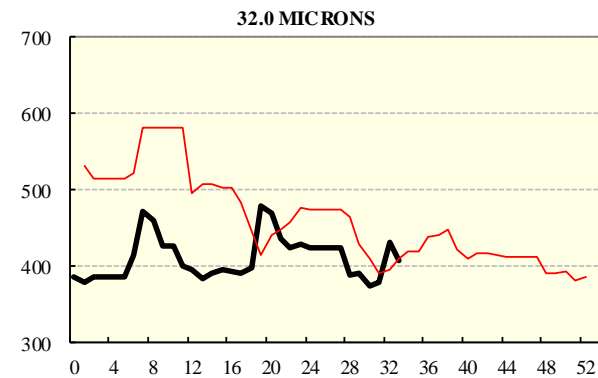
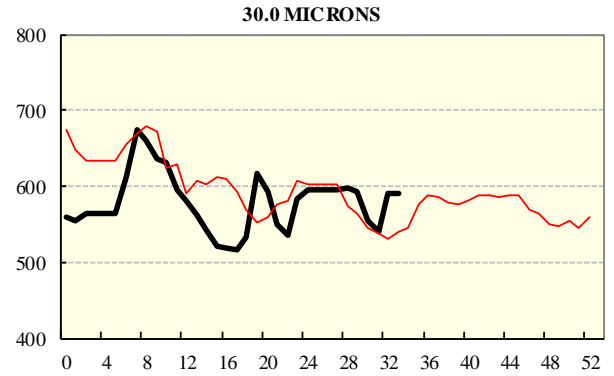
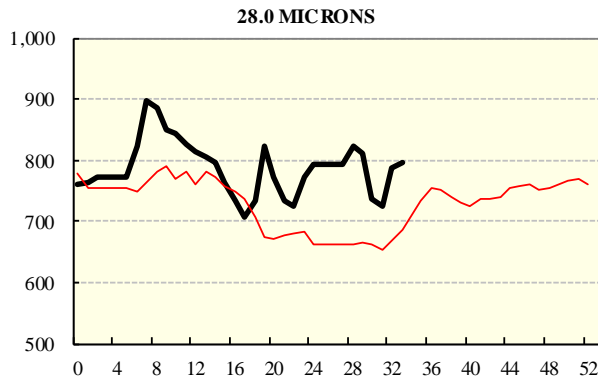
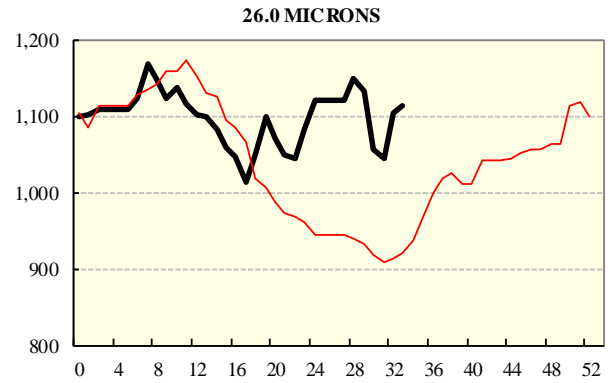
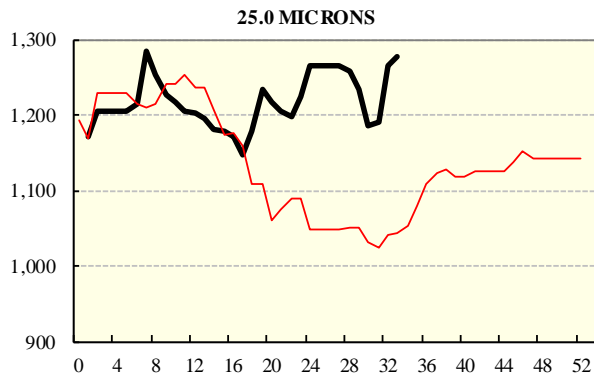
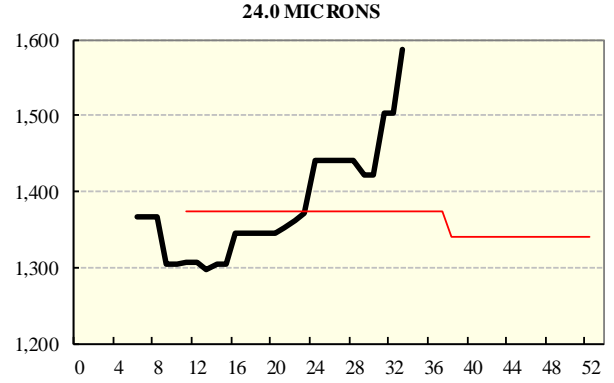
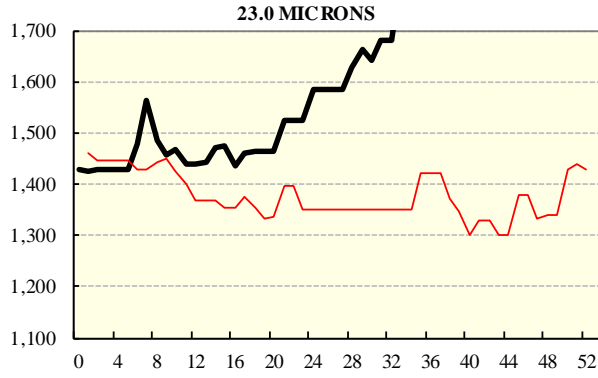
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AVERAGE AWEX MICRON PRICE GUIDES

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)

