

# AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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## AWIS WOOL MARKET REVIEW

Week Ending 20 October 2017 (Week 16)

The AWEX EMI finished 2¢ higher (+0.1%) in Australian currency and 7¢ higher (+0.6%) in US currency at sales in Sydney, Melbourne and Fremantle this week.

45,792 bales were on offer nationally, compared with 37,519 bales last sale. 6.0% of the offering was passed in. Much of the higher Pass-In rate was driven by a 10.1% Pass-In rate for Merino fleece on Thursday when there were falls in price for wools of 19.5 microns and greater

AWEX reports that the value of the wool sold was \$82.4 million (\$1,915 per bale), taking the season total to \$926.2 million.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 16)									
Centre	Last Sale		Day-to-Day Changes (Week 16)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	15	1566	No Sale	+2	0	+2 (+0.1%)	1568	+7	+12
Northern	15	1656	No Sale	+3	-2	+1 (+0.1%)	1657	+7	+12
Southern	15	1510	No Sale	0	+1	+1 (+0.1%)	1511	+6	+11
Western	15	1621	No Sale	-2	-5	-7 (-0.4%)	1614	0	+7

It was a mixed market, with strong gains at the fine end of the Merinos that progressively tapered off as the Fibre Diameter became broader. This continues the general trend seen in recent weeks, with the fine Merinos moving up by more than the medium and broader Merinos.

It was a very good week for Merino skirtings which made good gains on Wednesday and maintained those gains on Thursday. It was also a good week for oddments, with the average AWEX Merino Cardings Price Guide rising by another 2.2% to 1206¢. Crossbreds continued to ease.

The US Exchange Rate finished 0.35¢ (0.4%) higher to close at 78.52¢ on Thursday, its highest closing level over the last four weeks.

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

Looking ahead, the offering for next week is expected to be ahead of last year, while the following two offerings are expected to be less than 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	542¢	685¢	798¢	862¢	933¢
South	540¢	663¢	767¢	803¢	867¢

Market Indicator	Changes From			
	Four Sales Ago Week 12	Start of the Season	Week 16 Last Year	Season Average to Week 16 Last Year
Eastern Market Indicator	+43 (+2.8%)	+45 (+3.0%)	+237 (+17.8%)	+243 (+18.6%)
Western Market Indicator	+42 (+2.7%)	+48 (+3.1%)	+223 (+16.0%)	+212 (+15.3%)

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
<b>Since Last Sale</b>												
Change ¢	+46	+20	+15	+5	+8	+8	-6	-23	-32	-26	-37	
Change %	+2.0%	+0.9%	+0.7%	+0.2%	+0.4%	+0.4%	-0.3%	-1.4%	-2.0%	-1.7%	-2.5%	
<b>Since Start of the Season</b>												
Change ¢	+183	+126	+109	+57	+37	+59	+71	+38	+16	+10	+9	
Change %	+8.3%	+5.8%	+5.1%	+2.7%	+1.9%	+3.2%	+4.2%	+2.4%	+1.0%	+0.7%	+0.6%	
<b>Since Same Week Last Year</b>												
Change ¢	+718	+659	+607	+517	+398	+324	+252	+192	+138	+94		
Change %	+43.2%	+39.9%	+36.7%	+31.6%	+24.7%	+20.7%	+16.6%	+13.2%	+9.8%	+6.8%		

Sale-to-Sale Changes in Other Average AWEX Price Guides						
Micron	25.0	26.0	28.0	30.0	32.0	MC#
<b>Since Last Sale</b>						
Change ¢	-9	-13	-28	-4	-2	+26
Change %	-0.8%	-1.2%	-3.7%	-0.8%	-0.5%	+2.2%
<b>Since Start of the Season</b>						
Change ¢	-18	-60	-33	-41	+11	+44
Change %	-1.5%	-5.4%	-4.3%	-7.3%	+2.9%	+3.8%
<b>Since Same Week Last Year</b>						
Change ¢	-7	-38	-16	-92	-109	+112
Change %	-0.6%	-3.5%	-2.1%	-15.1%	-21.7%	+10.2%

# Average Merino Cardings Price Guide

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Week Ending 20 October 2017 (Week 16)

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 August ABS export data.

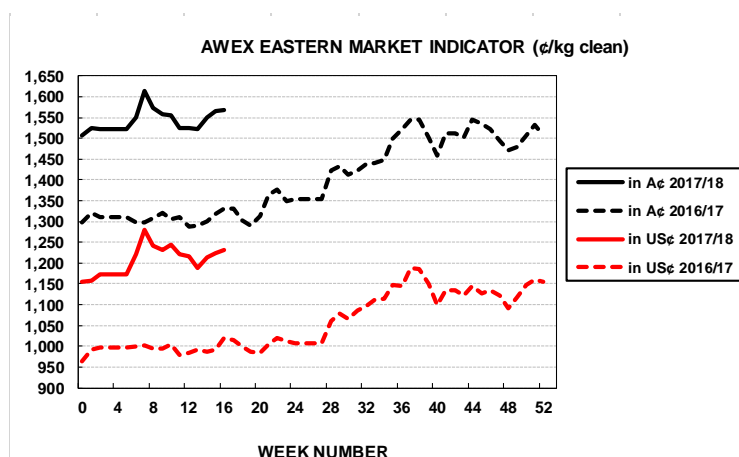
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re- Offered	Bales Sold
North	10,244	12,811	4.0%	0.3%	4.4%	12,301
South	19,663	23,726	7.4%	2.1%	5.8%	21,981
West	7,612	9,255	5.5%	1.3%	5.0%	8,744
<b>Australia</b>	<b>37,519</b>	<b>45,792</b>	<b>6.0%</b>	<b>1.4%</b>	<b>5.2%</b>	<b>43,026</b>

Actual and % Changes in the Progressive Offerings from Last Year	
+28,749	+19.4%
+40,081	+16.5%
-4,928	-4.8%
<b>+63,902</b>	<b>+13.0%</b>

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 17	Week 18	Week 19	Differences
North	12,225	10,600	12,000	<b>-14.6%</b>
South	22,758	25,300	20,895	<b>+6.4%</b>
West	8,781	7,860	7,850	<b>-17.6%</b>
New Zealand	770	500		
<b>Australia</b>	<b>43,764</b>	<b>43,760</b>	<b>40,745</b>	<b>-5.2%</b>
<b>Differences</b>	<b>+3.7%</b>	<b>-4.8%</b>	<b>-13.6%</b>	

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	78.17	+0.15	+0.40	-0.26	+0.02	+0.04	+0.35 (+0.4%)	78.52	75.97	80.00
Euro	65.82	+0.30	+0.54	-0.04	+0.09	-0.18	+0.71 (+1.1%)	66.53	65.82	67.39

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to August	
	August 2017	July to August 2017/18	July to August 2016/17	By Weight	By Value
China	81.3%	74.8%	75.0%	+10.0%	+17.2%
India	4.0%	7.2%	7.5%	+6.4%	+24.7%
Italy	3.1%	5.2%	5.6%	+2.2%	+39.1%
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%
<b>Change all Countries</b>				<b>+10.6%</b>	<b>+20.9%</b>



AVERAGE EMI	
This Year	1550
Last Year	1408
2015/16	1254
2014/15	1102
2013/14	1070

SEASON AVERAGES		
Region	This Year	Diff
North	1624	+155
South	1503	+133
West	1598	+144

THIS YEAR'S EMI	
This Week	1568
First Week	1524
Low (0/01)	1522
High (0/01)	1614

COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1657	+66
South	1511	+31
West	1614	+48

BALES OFFERED	
This Year	557,296
Last Year	493,394
Difference	+63,902
% Diff	+13.0%
FIRST OFFERED BALES	
Difference	+11.9%
% of Offering	94.8%

REGION BALES		
This Sale:		Diff
North	12,811	
South	23,726	+16.5%
West	9,255	-4.8%
Progressive Totals:		Diff
North	176,944	+19.4%
South	282,794	+16.5%
West	97,558	-4.8%

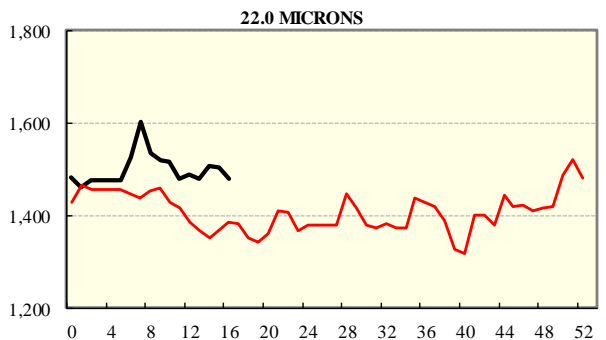
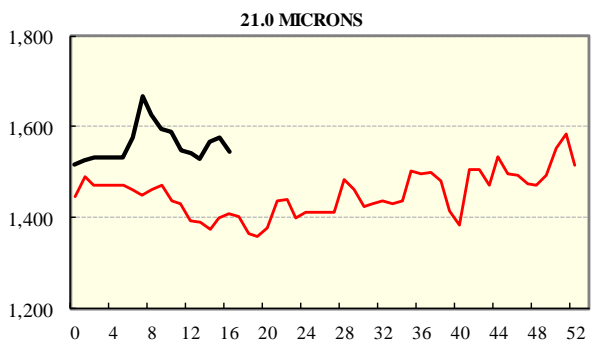
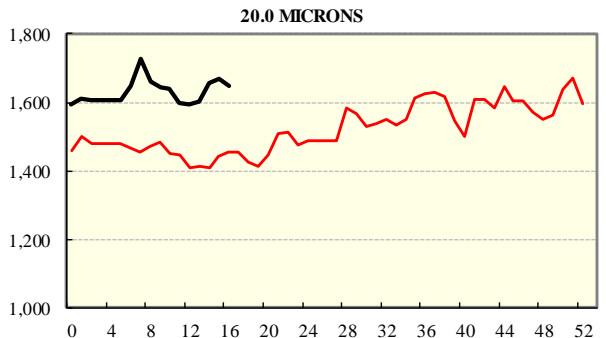
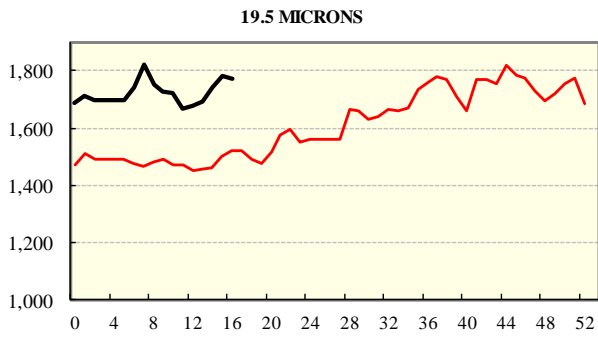
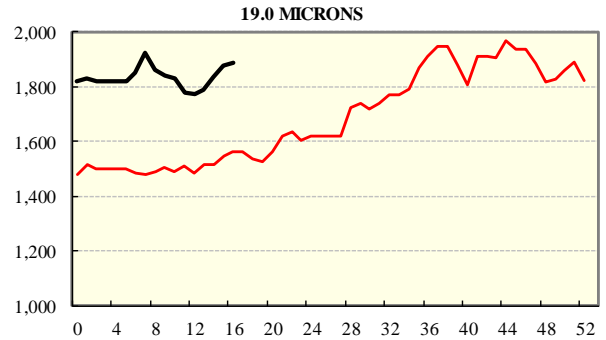
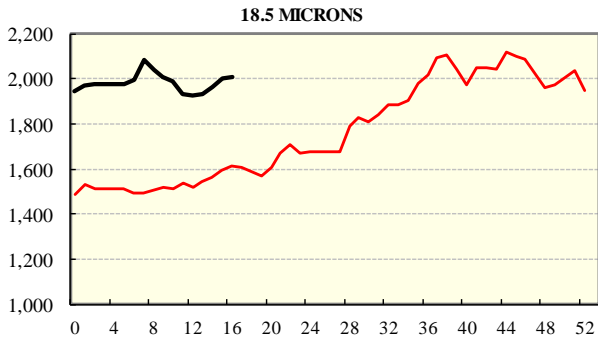
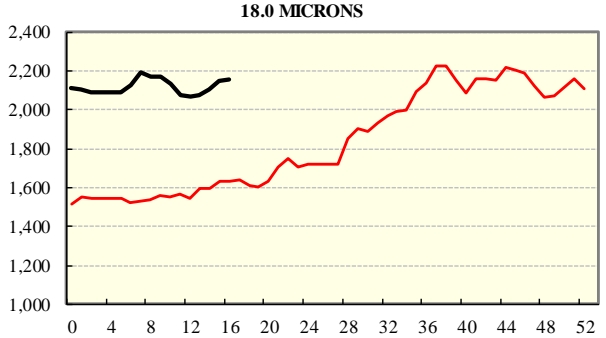
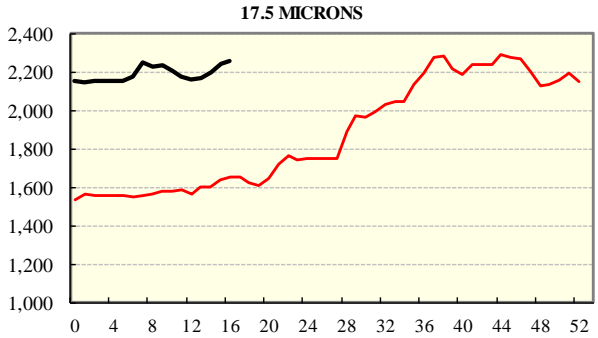
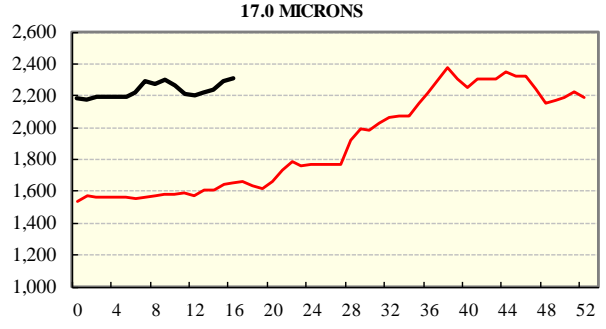
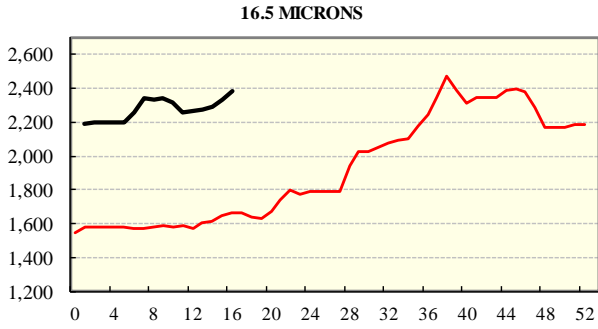
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For further information

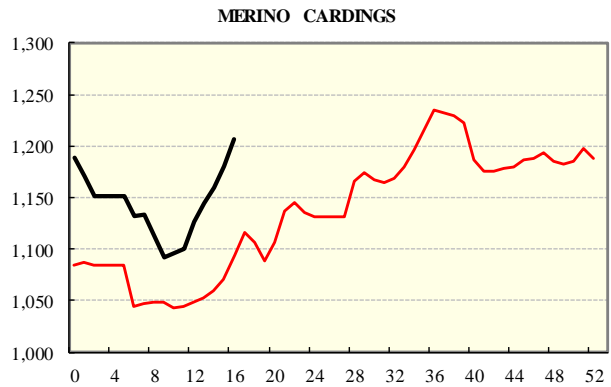
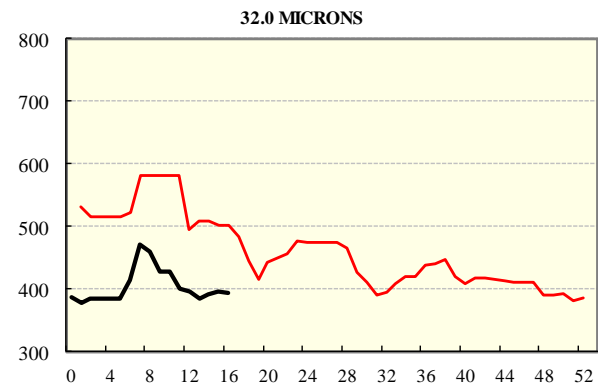
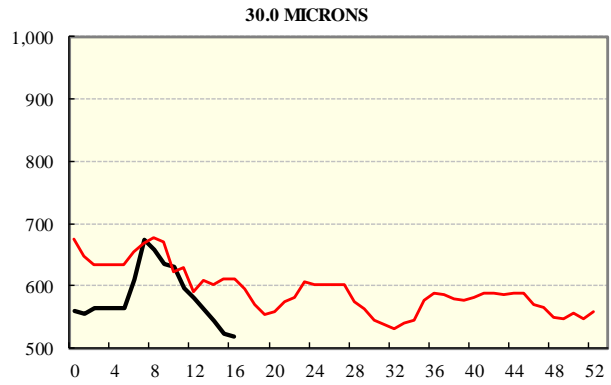
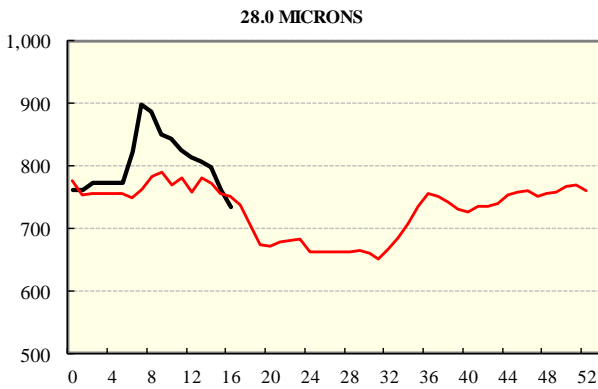
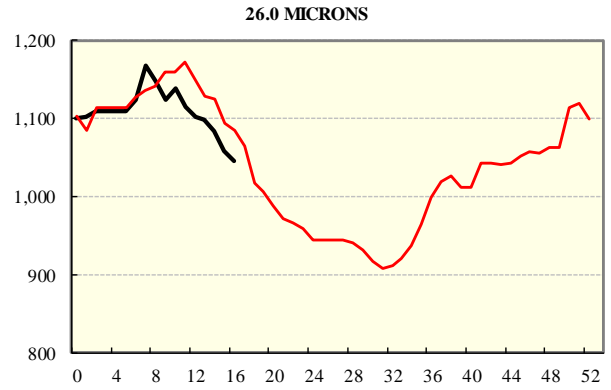
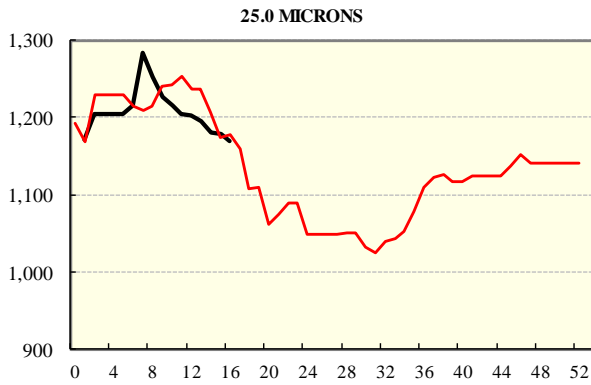
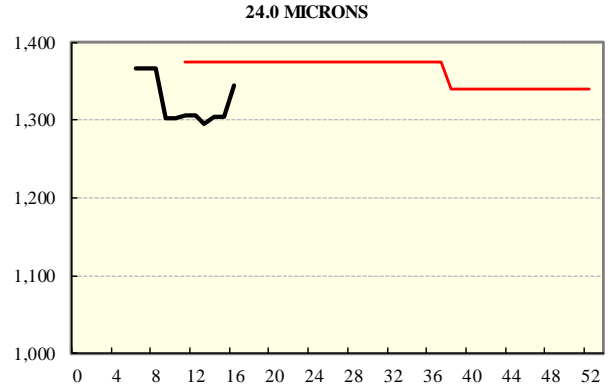
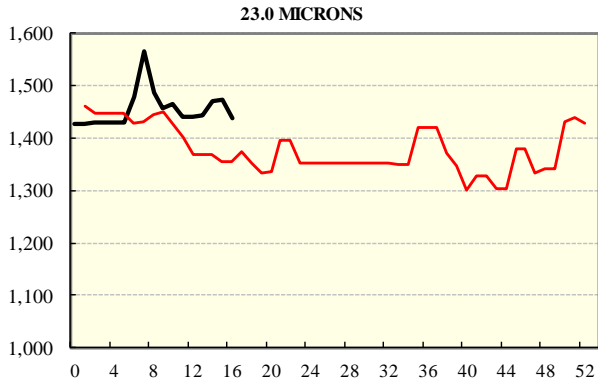
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**AVERAGE AWEX MICRON PRICE GUIDES**  
 2017/18( black graph line) and 2016/17 (red graph line)

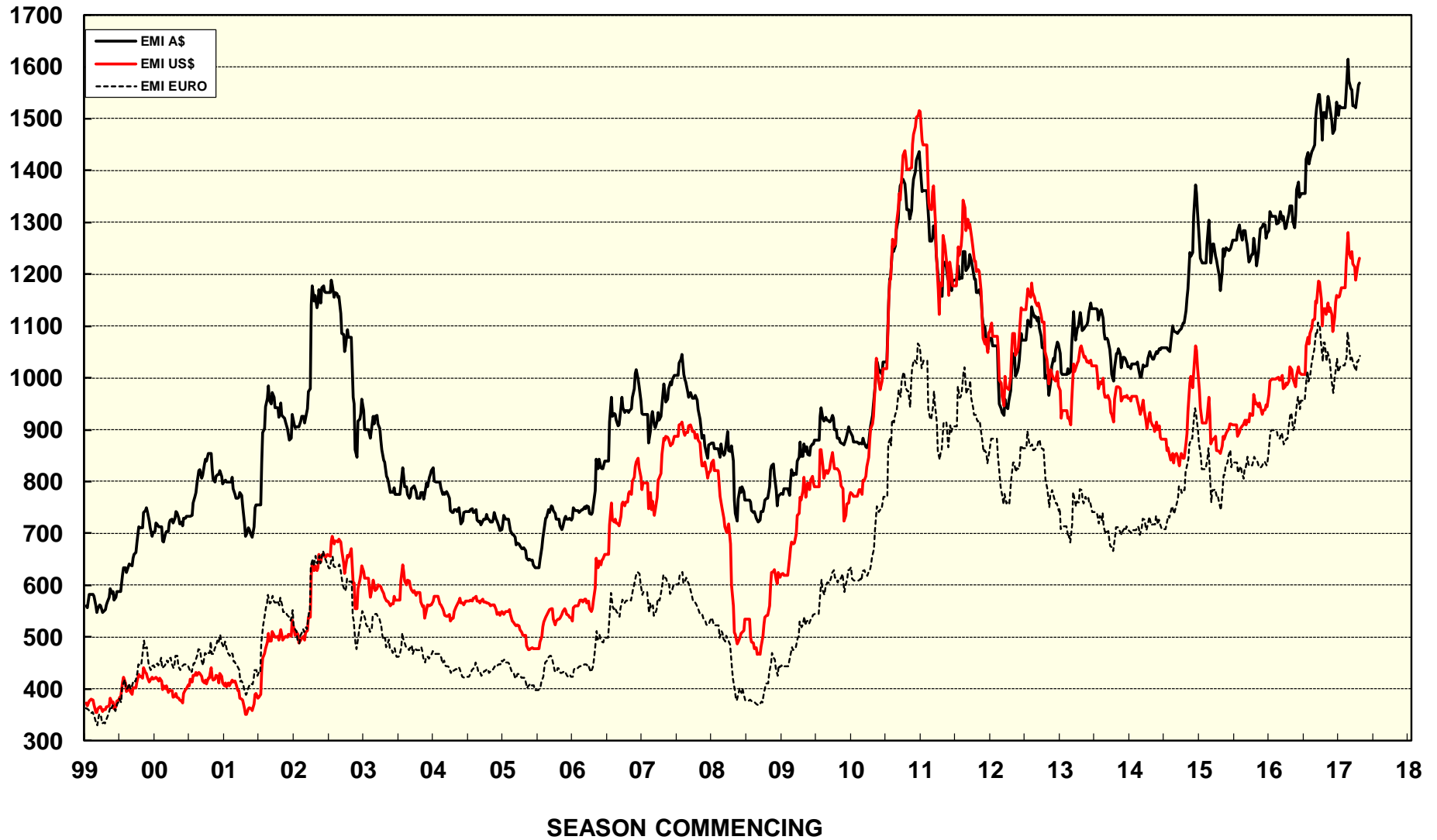


**AVERAGE AWEX MICRON PRICE GUIDES**  
 2017/18( black graph line) and 2016/17 (red graph line)



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

(In Australian, United States and European Currencies)



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