

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW Week Ending 22 June 2018 (Week 51)

The AWEX EMI finished 52¢ higher (+2.6%) in Australian currency and 1¢ lower (-0.1%) in US currency at sales in Sydney and Melbourne this week.

20,904 bales were on offer nationally, compared with 28,029 bales last sale. 2.0% of the offering was passed in. It was the smallest sale of the year, both nationally and in Melbourne; and no doubt reflects the rush which has been on to shear and offer wool for sale as quickly as possible.

AWEX reports that the value of the wool sold was \$46.6 million (\$2,275 per bale, \$519 more than at the same time last year), taking the season total to \$3.4 billion.

| Centre | Last Sale | | Day-to-Day Changes (Week 51) | | | Sale-to-Sale Change | Closing Indicator | Sale-to-Sale Changes | |
|----------|-----------|-----------|------------------------------|-----------|----------|---------------------|-------------------|----------------------|--------|
| | Week | Indicator | Tuesday | Wednesday | Thursday | | | US ¢ | Euro ¢ |
| Eastern | 50 | 2021 | No Sale | +42 | +10 | +52 (+2.6%) | 2073 | -1 | +26 |
| Northern | 50 | 2059 | No Sale | +37 | +14 | +51 (+2.5%) | 2110 | -3 | +25 |
| Southern | 50 | 1997 | No Sale | +46 | +7 | +53 (+2.7%) | 2050 | 0 | +27 |
| Western | 50 | 2188 | No Sale | No Sale | No Sale | | | | |

Another very strong market in a small offering, with all Regional Indicators and all average AWEX MPGs again at new record levels. Prices in Australian currency were assisted by the fall in the US Exchange Rate, but still remained fully firm in US Currency (the US Exchange Rate finished 1.95¢ (-2.6%) lower to close at 73.60¢ on Thursday).

There were good price rises across all wool types and across all micron ranges, apart from the coarse crossbred microns. The greatest gains this week were from 18.0 to 20 microns, with the rises for 21 and 22 microns not far behind.

The average AWEX Merino Cardings Price Guide continued its steady rise since mid March when it rose by a further 25¢ (+1.7%) to close at 1502¢, the first time it has been above 1500¢ since January.

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

Looking ahead, the recent pattern of smaller sale volumes is expected to continue, with the coming three offerings currently expected to be 20.5% less than in the same sales 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 | No 22.0µ MPG | No 22.0µ MPG | No 22.0µ MPG | No 22.0µ MPG | No 22.0µ MPG |
| South | 87¢ | 218¢ | 386¢ | 563¢ | 721¢ |

| Market Indicator | Changes From | | | |
|--------------------------|---------------------------|------------------------|----------------------|--|
| | Four Sales Ago Week 47 | Start of the Season | Week 51 Last Year | Season Average to Week 51 Last Year |
| Eastern Market Indicator | +90 (+4.5%) | +550 (+36.1%) | +540 (+35.2%) | +326 (+23.2%) |
| Western Market Indicator | No Sale | No Sale | No Sale | No Sale |

| 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 ¢ | | +51 | +28 | +53 | +70 | +88 | +93 | +81 | +54 | +66 | | |
| Change % | | +1.8% | +1.0% | +2.1% | +3.0% | +3.8% | +4.1% | +3.6% | +2.4% | +2.9% | | |
| Since Start of the Season | | | | | | | | | | | | |
| Change ¢ | +859 | +701 | +562 | +452 | +447 | +552 | +667 | +751 | +800 | +868 | | |
| Change % | +39.1% | +32.1% | +26.1% | +21.6% | +22.6% | +30.2% | +39.2% | +46.7% | +52.3% | +59.1% | | |
| Since Same Week Last Year | | | | | | | | | | | | |
| Change ¢ | +870 | +664 | +518 | +391 | +385 | +489 | +596 | +688 | +746 | +816 | | |
| Change % | +39.8% | +29.9% | +23.6% | +18.1% | +18.9% | +25.9% | +33.6% | +41.1% | +47.1% | +53.6% | | |

| Micron | 25.0 | 26.0 | 28.0 | 30.0 | 32.0 | MC# |
|-------------------------------|--------|--------|--------|--------|--------|--------|
| Since Last Sale | | | | | | |
| Change ¢ | | +40 | +38 | +9 | -5 | +25 |
| Change % | | +2.7% | +3.8% | +1.3% | -1.1% | +1.7% |
| Since the Start of the Season | | | | | | |
| Change ¢ | +481 | +329 | +230 | +147 | +56 | +306 |
| Change % | +40.5% | +29.7% | +30.0% | +26.3% | +14.6% | +26.3% |
| Since Same Week Last Year | | | | | | |
| Change ¢ | +528 | +380 | +245 | +141 | | +275 |
| Change % | +46.3% | +36.0% | +32.6% | +25.0% | | +23.1% |

Average Merino Cardings Price Guide

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AWIS WOOL MARKET REVIEW Week Ending 22 June 2018 (Week 51)

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 April ABS export data.

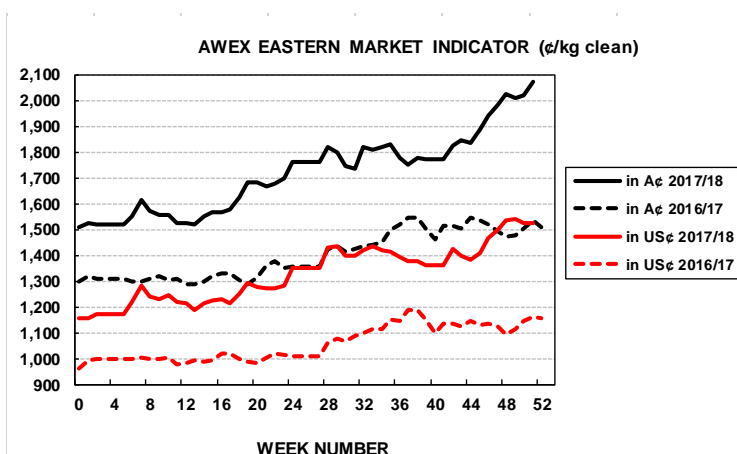
| Details of this Week's Offering and the Comparison with the Previous Sale's Offering | | | | | | |
|--|---------------|---------------|-------------|-----------------------|-------------|---------------|
| Centre | Last Sale | This Sale | | | | |
| | Offering | Offering | Passed-In | Withdrawn Before Sale | Re- Offered | Bales Sold |
| North | 10,965 | 10,093 | 2.2% | 1.4% | 4.4% | 9,876 |
| South | 12,952 | 10,811 | 1.9% | 6.4% | 2.4% | 10,605 |
| West | 4,112 | | | | | |
| Australia | 28,029 | 20,904 | 2.0% | 4.0% | 3.4% | 20,481 |

| Actual and % Changes in the Progressive Offerings from Last Year | |
|--|--------------|
| +12,845 | +2.5% |
| +54,468 | +5.9% |
| -33,684 | -8.8% |
| +33,629 | +1.8% |

| Next Sale Offerings and Year-on-Year Differences | | | | |
|--|---------------|---------------|---------------|---------------|
| Centre | Week 52 | Week 01 | Week 02 | Differences |
| North | 10,619 | 12,525 | 11,580 | -24.8% |
| South | 16,915 | 16,832 | 19,475 | -16.3% |
| West | 4,994 | 8,575 | 5,450 | -23.1% |
| New Zealand | | | | |
| Australia | 32,528 | 37,932 | 36,505 | -20.5% |
| Differences | -11.8% | -25.8% | -21.4% | |

| 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 | 75.55 | -0.90 | -0.15 | -0.70 | +0.22 | -0.42 | -1.95 (-2.6%) | 73.60 | 73.60 | 80.44 |
| Euro | 64.01 | +0.56 | -0.31 | -0.75 | +0.44 | -0.28 | -0.34 (-0.5%) | 63.67 | 62.00 | 67.39 |

| Country | % Share of Australia's Wool Exports by Weight of Wool Shipped | | | Year-on-Year % Change July to April | |
|-----------------------------|---|-----------------------|-----------------------|-------------------------------------|---------------|
| | April 2018 | July to April 2017/18 | July to April 2016/19 | By Weight | By Value |
| China | 79.4% | 79.2% | 79.2% | +2.4% | +17.6% |
| India | 6.4% | 5.4% | 5.9% | -6.3% | +7.2% |
| Italy | 3.5% | 4.4% | 4.4% | +2.5% | +34.8% |
| 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 | 1732 |
| Last Year | 1408 |
| 2015/16 | 1254 |
| 2014/15 | 1102 |
| 2013/14 | 1070 |

| SEASON AVERAGES | | |
|-----------------|-----------|------|
| Region | This Year | Diff |
| North | 1806 | +336 |
| South | 1685 | +315 |
| West | 1797 | +342 |

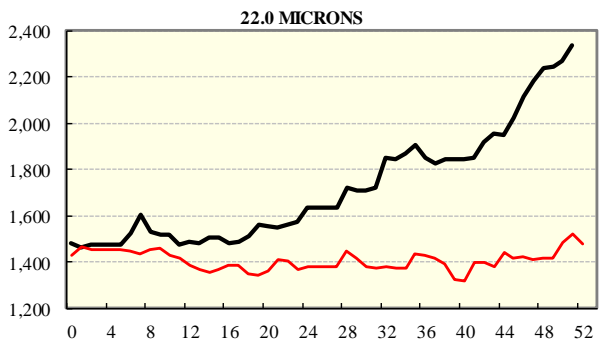
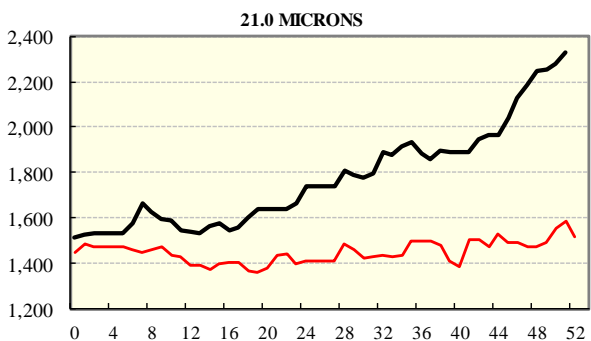
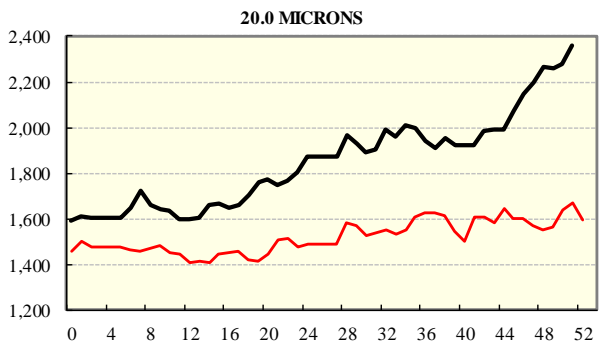
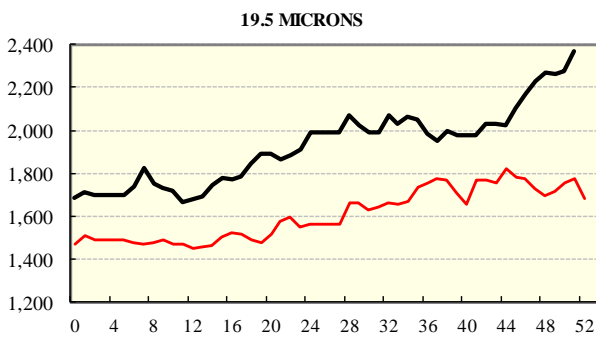
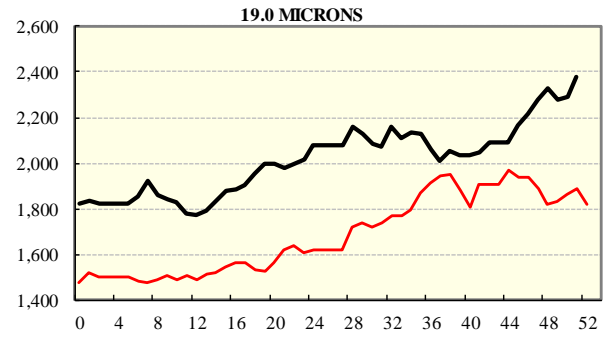
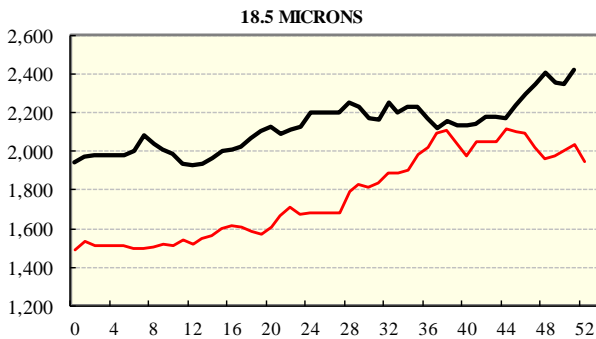
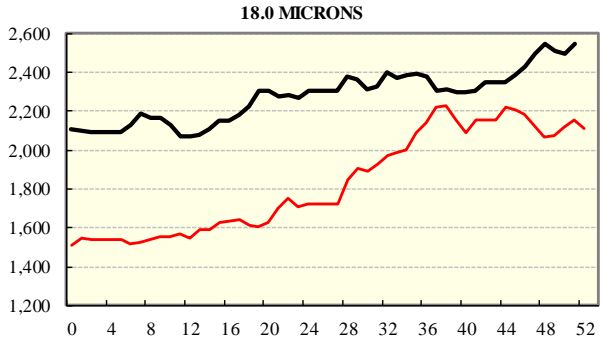
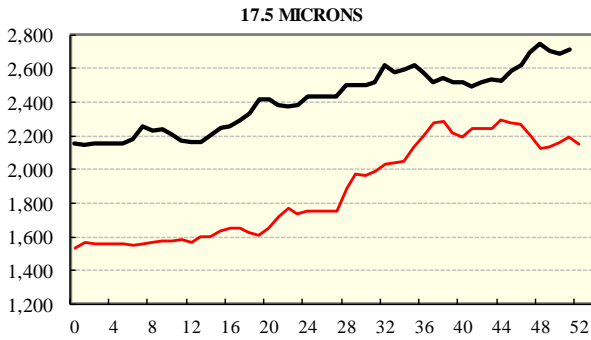
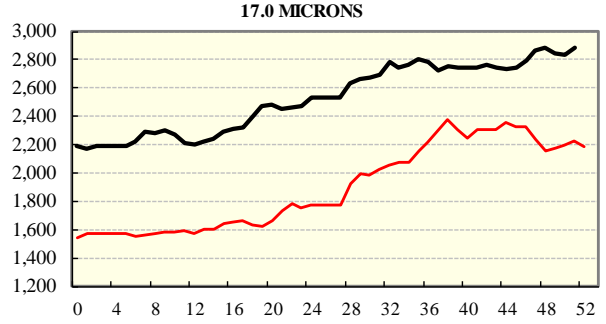
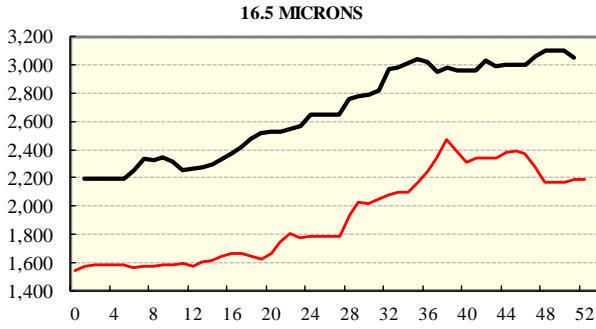
| THIS YEAR'S EMI | |
|-----------------|------|
| This Week | 2073 |
| First Week | 1524 |
| Low (0/01) | 1522 |
| High (0/01) | 2073 |

| COMPARED WITH WKS 1/2 | | |
|-----------------------|-----------|------|
| Region | This Week | Diff |
| North | 2110 | +519 |
| South | 2050 | +570 |
| West | 2188 | |

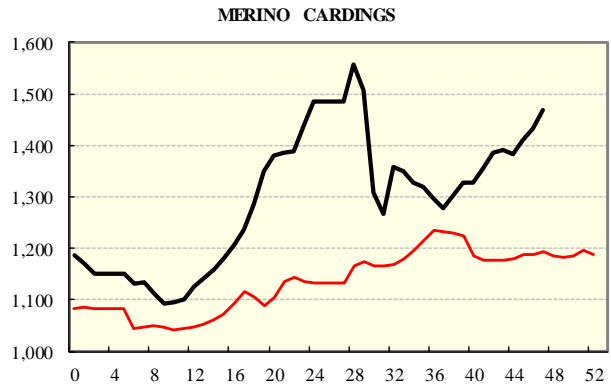
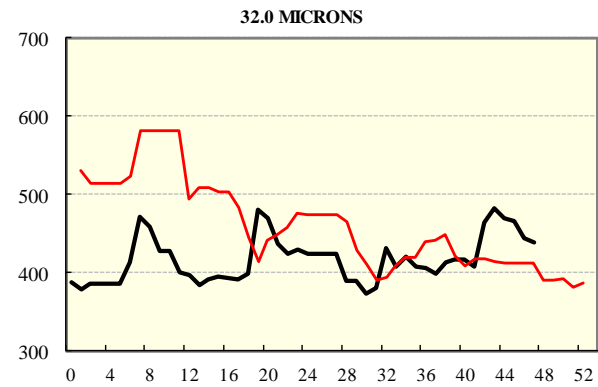
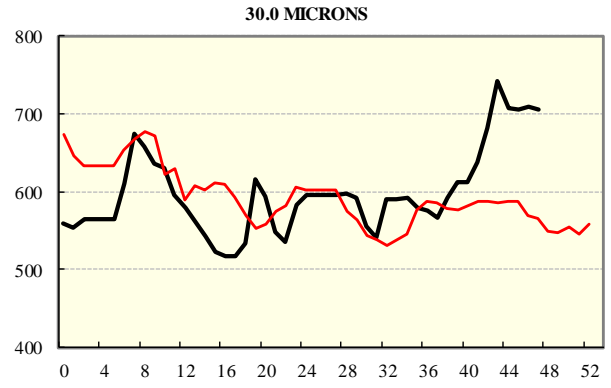
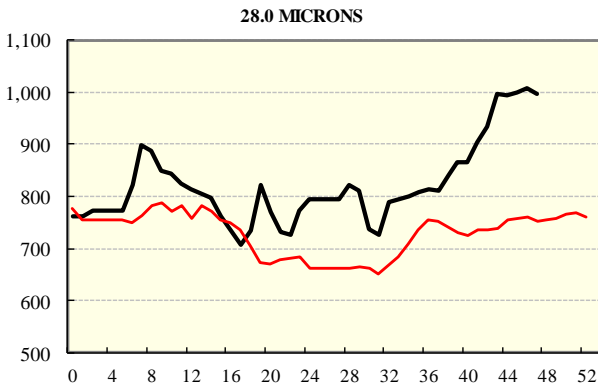
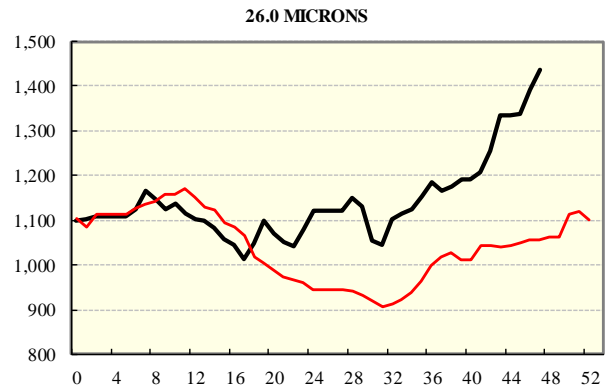
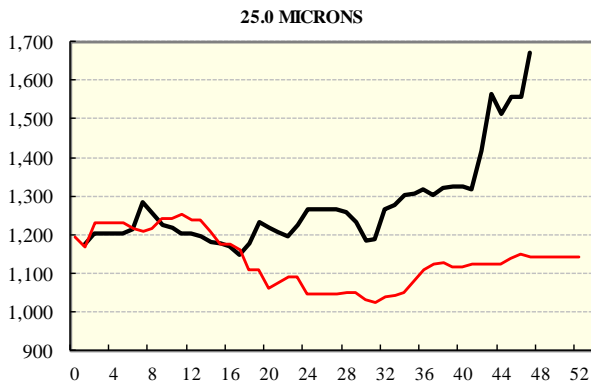
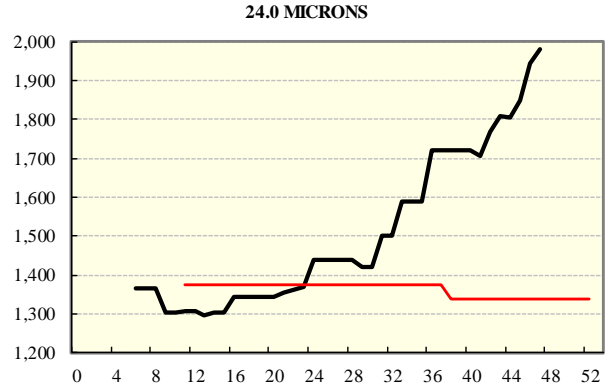
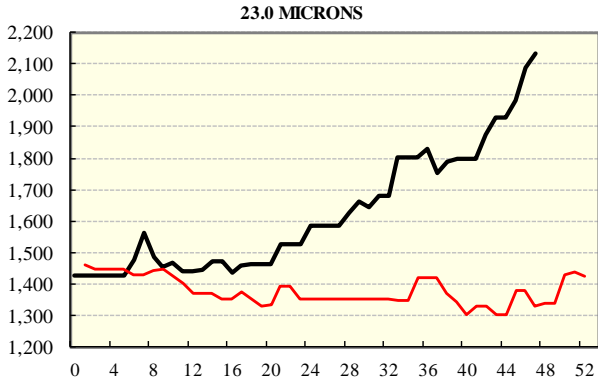
| BALES OFFERED | |
|---------------------|-----------|
| This Year | 1,854,913 |
| Last Year | 1,821,284 |
| Difference | +33,629 |
| % Diff | +1.8% |
| FIRST OFFERED BALES | |
| Difference | +3.1% |
| % of Offering | 95.7% |

| REGION BALES | | |
|---------------------|---------|-------|
| This Sale: | | |
| North | 10,093 | |
| South | 10,811 | |
| West | | |
| Progressive Totals: | | |
| North | 532,555 | +2.5% |
| South | 972,406 | +5.9% |
| West | 349,952 | -8.8% |

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)

