

# AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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## AWIS WOOL MARKET REVIEW

Week Ending 23 February 2018 (Week 34)

The AWEX EMI finished 8¢ higher (+0.4%) in Australian currency and 16¢ lower (-1.1%) in US currency at sales in Sydney, Melbourne and Fremantle this week. The closing EMI of 1820¢ was 2¢ above the previous highest level in Week 32.

41,669 bales were on offer nationally, compared with 42,519 bales last sale. 5.6% of the offering was passed in.

The Pass-In rate was very high considering the level of the market and that the various Indicators generally moved up or were unchanged, apart from the AWEX Merino Cardings Price Guide.

AWEX reports that the value of the wool sold was \$75.5 million (\$1,920 per bale), taking the season total to \$2.2 billion.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 34)									
Centre	Last Sale		Day-to-Day Changes (Week 34)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	33	1812	+1	+2	+5	+8 (+0.4%)	1820	-16	+4
Northern	33	1893	No Sale	+4	+5	+9 (+0.5%)	1902	-17	+4
Southern	33	1761	+1	+1	+6	+8 (+0.5%)	1769	-16	+3
Western	33	1879	No Sale	+5	+11	+16 (+0.9%)	1895	-12	+8

It was a steady week in which the Regional Indicators moved up by small amounts on each day; but one in which there were good gains among individual MPGs, particularly among the Merinos.

It was also a week in which the average AWEX 16.5 Micron Price Guide finished at 3014¢. This was 30¢ above the previous week's closing level; and 912¢ above the same week last year. It was the first time that it has exceeded 3000¢. The average difference between the closing MPGs for 16.5 and 22 microns was 1138¢, 1¢ higher than last week.

Crossbred average MPGs were also up, but by lesser amounts than those for Merino wools.

The US Exchange Rate finished 1.27¢ (-1.6%) lower to close at 78.06¢ on Thursday.

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

Looking ahead, the offering in Week 35 is expected to move up to 44,000, but to then fall back to around 40,000 in the two following sales.

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	363¢	503¢	722¢	907¢	1126¢
South	367¢	518¢	723¢	880¢	1150¢

Market Indicator	Four Sales Ago Week 30	Changes From		
		Start of the Season	Week 34 Last Year	Season Average to Week 34 Last Year
Eastern Market Indicator	+76 (+4.4%)	+297 (+19.5%)	+371 (+25.6%)	+299 (+22.2%)
Western Market Indicator	+74 (+4.1%)	+329 (+21.0%)	+413 (+27.9%)	+292 (+20.7%)

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 ¢	+30	+23	+18	+15	+27	+27	+29	+47	+36	+21		
Change %	+1.0%	+0.8%	+0.7%	+0.6%	+1.2%	+1.3%	+1.4%	+2.4%	+1.9%	+1.1%		
Since Start of the Season												
Change ¢	+818	+584	+446	+290	+254	+309	+359	+399	+384	+399		
Change %	+37.2%	+26.7%	+20.7%	+13.8%	+12.9%	+16.9%	+21.1%	+24.8%	+25.1%	+27.2%		
Since Same Week Last Year												
Change ¢	+912	+694	+550	+388	+324	+345	+393	+457	+477	+494		
Change %	+43.4%	+33.4%	+26.9%	+19.4%	+17.0%	+19.3%	+23.5%	+29.5%	+33.2%	+36.0%		

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 ¢	+24	+12	+5	+2	+13	-23
Change %	+1.9%	+1.1%	+0.6%	+0.3%	+3.2%	-1.7%
Since Start of the Season						
Change ¢	+114	+20	+33	+33	+37	+165
Change %	+9.6%	+1.8%	+4.3%	+5.9%	+9.7%	+14.2%
Since Same Week Last Year						
Change ¢	+250	+188	+91	+47	+1	+131
Change %	+23.8%	+20.0%	+12.8%	+8.6%	+0.2%	+11.0%

# Average Merino Cardings Price Guide

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Week Ending 23 February 2018 (Week 34)

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.

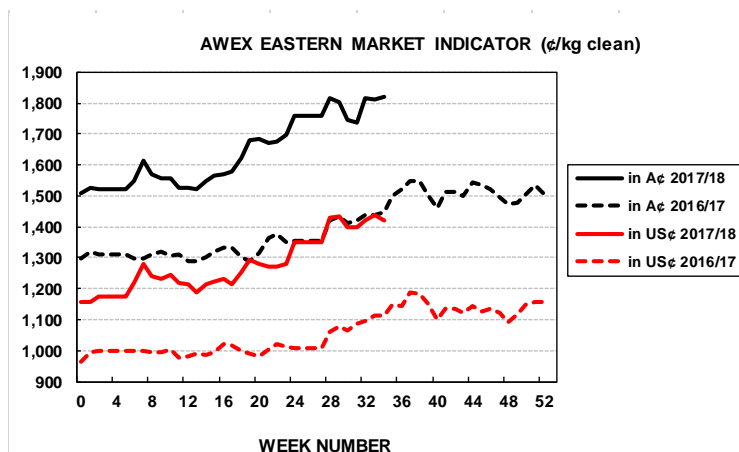
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re- Offered	Bales Sold
North	8,778	9,915	3.6%	0.5%	4.1%	9,563
South	23,139	22,592	5.2%	1.1%	5.7%	21,412
West	10,602	9,162	8.8%	1.2%	2.9%	8,355
<b>Australia</b>	<b>42,519</b>	<b>41,669</b>	<b>5.6%</b>	<b>1.0%</b>	<b>4.7%</b>	<b>39,330</b>

Actual and % Changes in the Progressive Offerings from Last Year	
+9,688	+2.8%
+47,186	+7.8%
-14,609	-5.7%
<b>+42,265</b>	<b>+3.5%</b>

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 35	Week 36	Week 37	Differences
North	13,114	10,717	9,840	-2.9%
South	21,534	22,275	20,647	-1.9%
West	9,858	8,650	8,650	-6.4%
<b>New Zealand</b>				
<b>Australia</b>	<b>44,506</b>	<b>41,642</b>	<b>39,137</b>	<b>-3.1%</b>
<b>Differences</b>	<b>+9.6%</b>	<b>-9.5%</b>	<b>-8.4%</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	79.33	+0.32	-0.45	+0.06	-0.74	-0.46	-1.27 (-1.6%)	78.06	75.45	80.44
Euro	63.69	-0.22	+0.32	+0.19	-0.26	-0.12	-0.09 (-0.1%)	63.60	63.60	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%
<b>Change all Countries</b>				<b>+10.6%</b>	<b>+20.9%</b>



AVERAGE EMI	
This Year	1645
Last Year	1408
2015/16	1254
2014/15	1102
2013/14	1070

SEASON AVERAGES		
Region	This Year	Diff
North	1728	+258
South	1593	+223
West	1705	+251

THIS YEAR'S EMI	
This Week	1820
First Week	1524
Low (0/01)	1522
High (0/01)	1820

COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1902	+311
South	1769	+289
West	1895	+329

BALES OFFERED	
This Year	1,249,486
Last Year	1,207,221
Difference	+42,265
% Diff	+3.5%
FIRST OFFERED BALES	
Difference	+4.1%
% of Offering	95.8%

REGION BALES		
This Sale:		Diff
North	9,915	
South	22,592	
West	9,162	
Progressive Totals:		Diff
North	358,552	+2.8%
South	651,042	+7.8%
West	239,892	-5.7%

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For further information

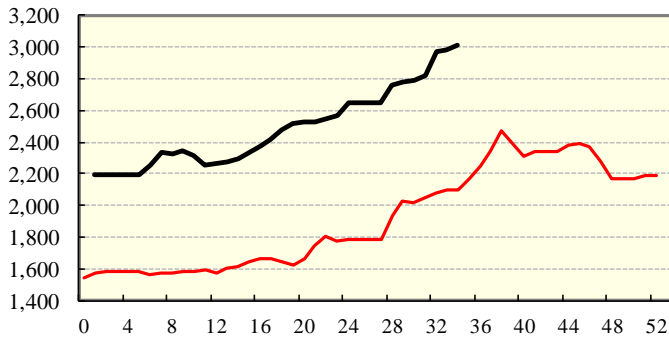
Peter Morgan

03 9311 0103

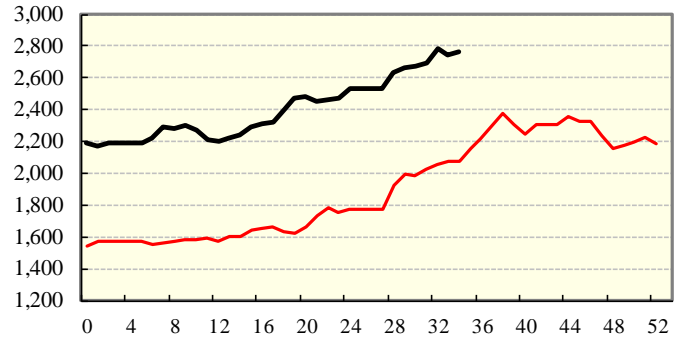
# AVERAGE AWEX MICRON PRICE GUIDES

2017/18( black graph line) and 2016/17 (red graph line)

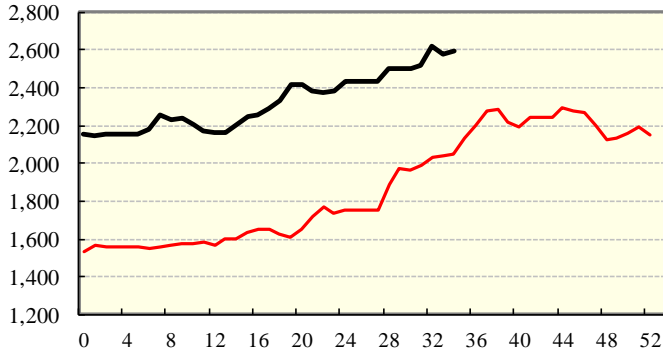
**16.5 MICRONS**



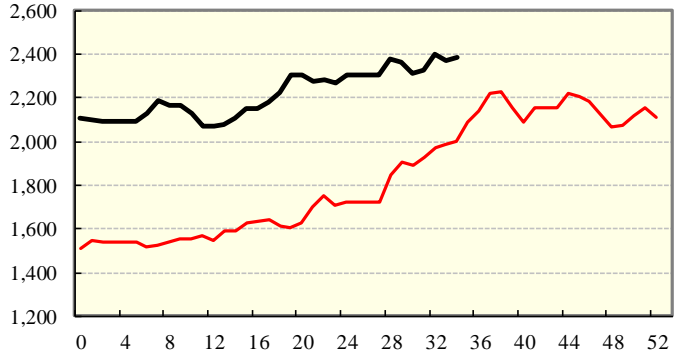
**17.0 MICRONS**



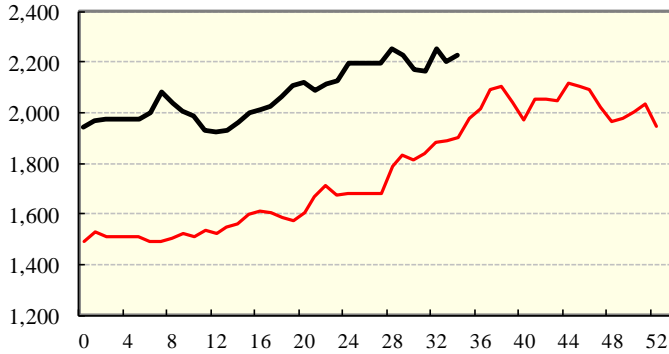
**17.5 MICRONS**



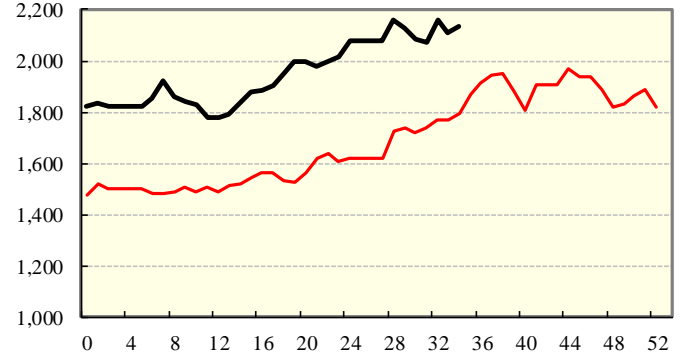
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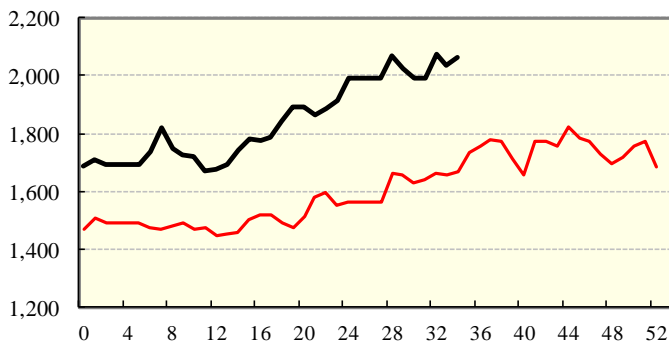
**18.5 MICRONS**



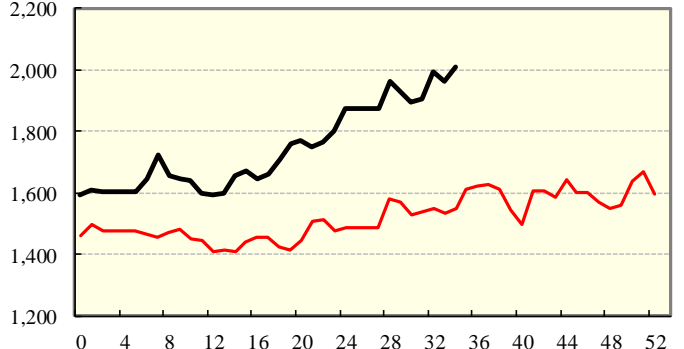
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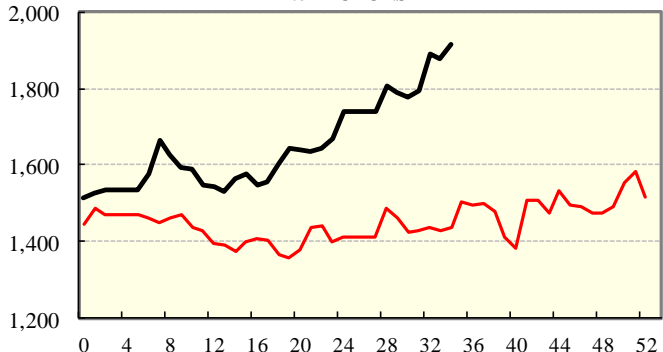
**19.5 MICRONS**



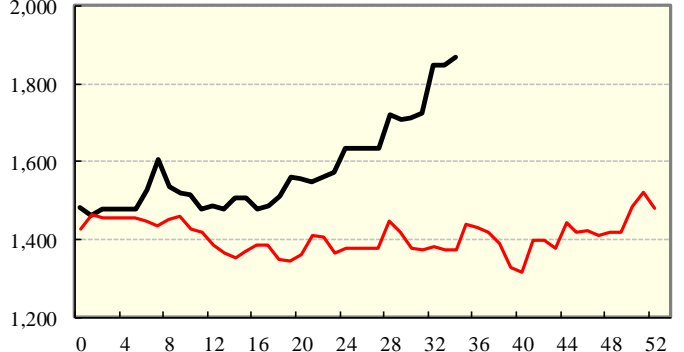
**20.0 MICRONS**



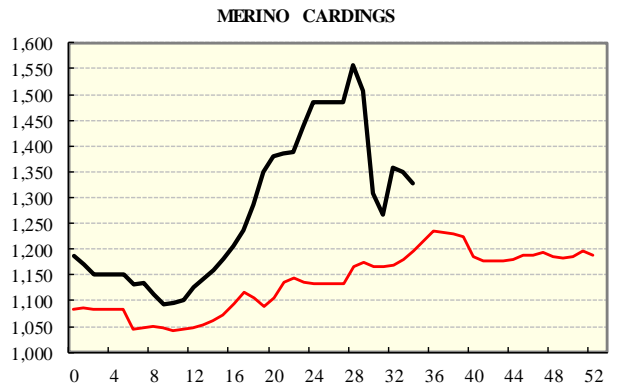
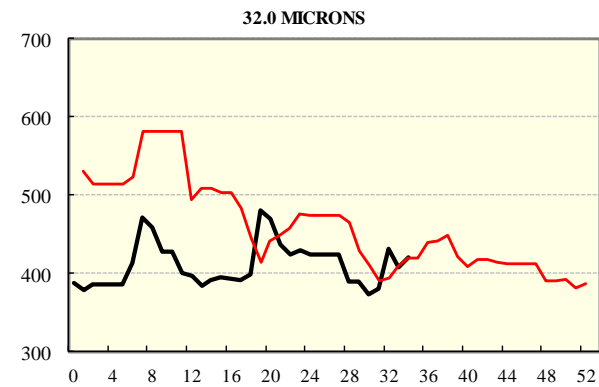
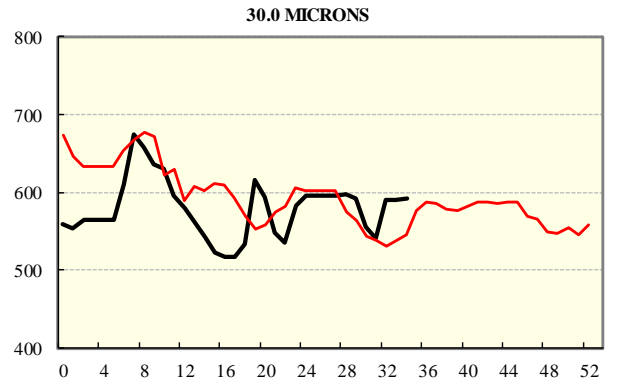
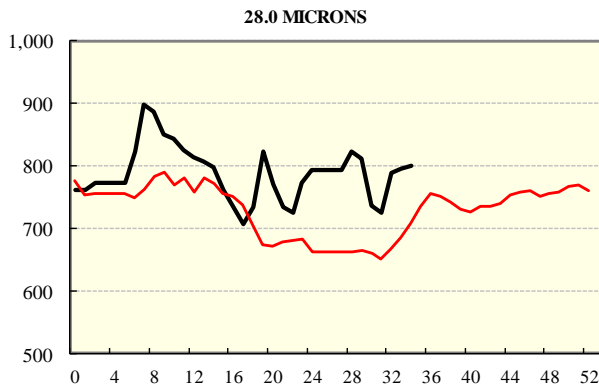
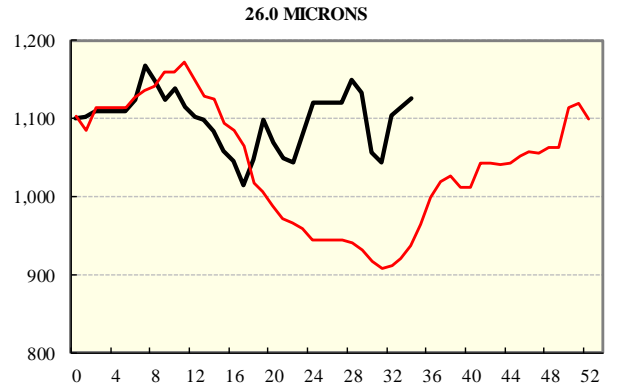
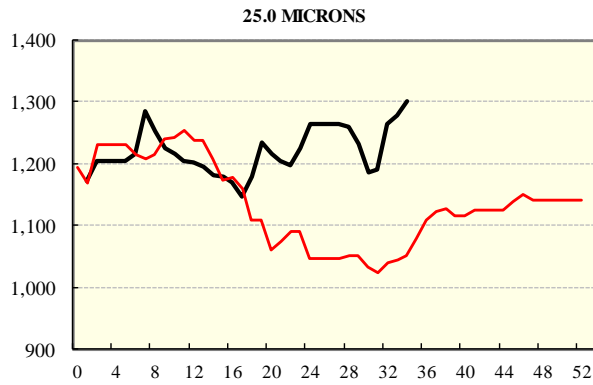
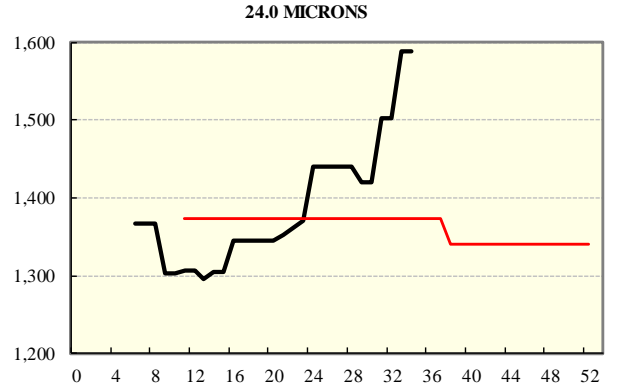
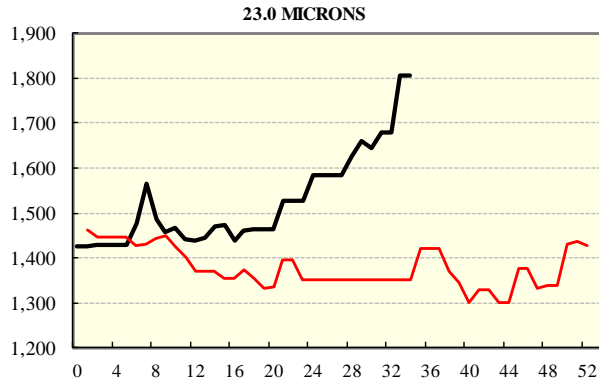
**21.0 MICRONS**



**22.0 MICRONS**

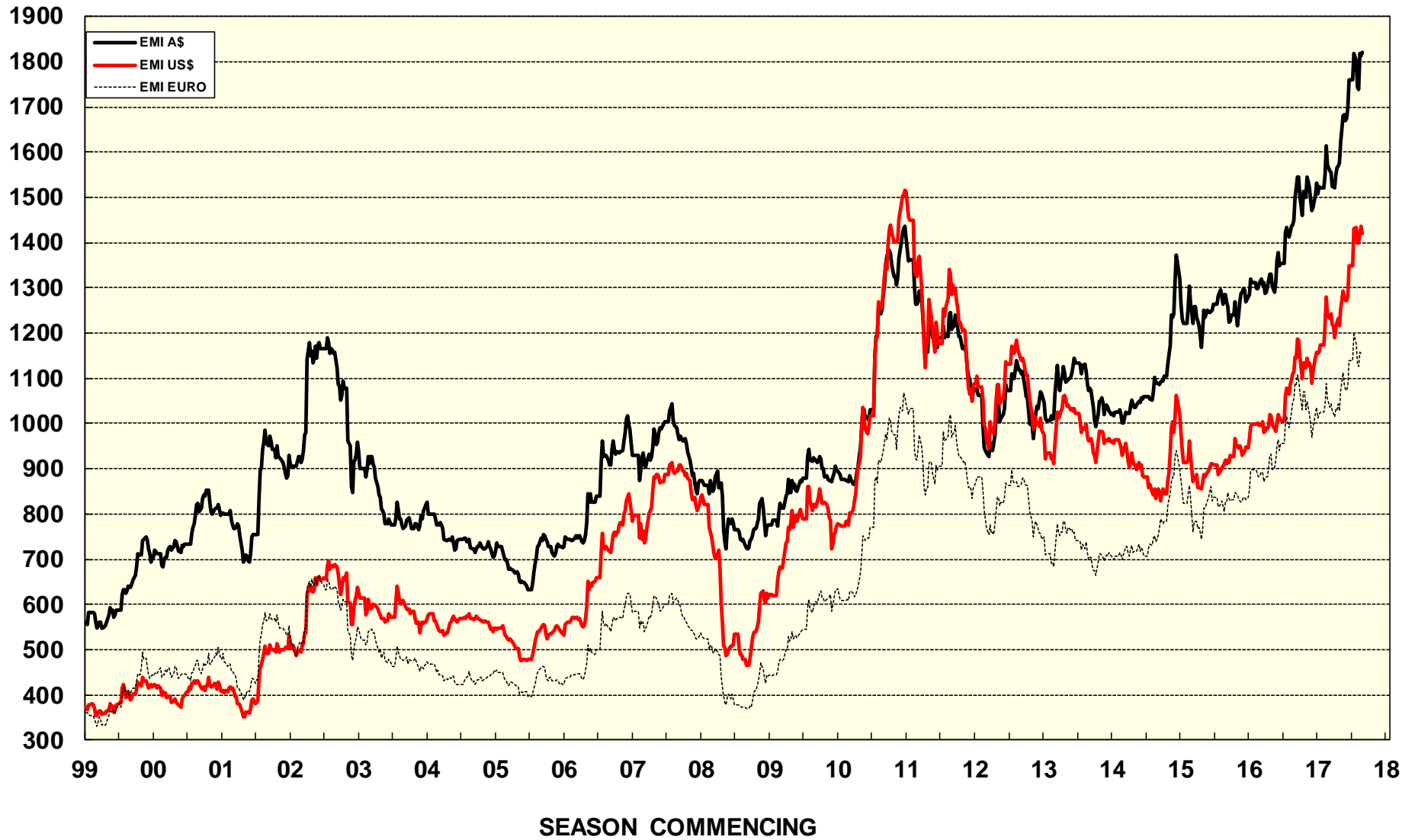


**AVERAGE AWEX MICRON PRICE GUIDES**  
 2017/18( black graph line) and 2016/17 (red graph line)



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

(In Australian, United States and European Currencies)



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For further information

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