

# AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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## AWIS WOOL MARKET REVIEW Week Ending 26 January 2018 (Week 30)

The AWEX EMI finished at 1744¢, 57¢ lower (-3.2%) in Australian currency and 36¢ lower (-2.5%) in US currency at sales in Sydney, Melbourne and Fremantle this week. Cotton Futures prices also eased during the week – by 3.0 - 3.5% up to July. 42,525 bales were on offer nationally, compared with 54,350 bales last sale.

Not surprisingly, the Pass-In Rate moved up to 14.3%, comprising 8.4% of the Merino Fleece, 14.6% of the Merino Skirtings, 21.8% of the Oddments (which came under a lot of pressure); and 22.6% for the crossbreds.

AWEX reports that the value of the wool sold was \$73.4 million (\$2,015 per bale), taking the season total to \$1.9 billion.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 30)									
Centre	Last Sale		Day-to-Day Changes (Week 30)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	29	1801	-18	-39	No Sale	-57 (-3.2%)	1744	-36	-42
Northern	29	1901	-32	-24	No Sale	-56 (-2.9%)	1845	-35	-42
Southern	29	1739	-8	-54	No Sale	-62 (-3.6%)	1677	-41	-45
Western	29	1860	-15	-24	No Sale	-39 (-2.1%)	1821	-21	-30

The market eased sharply after big offerings in the previous two sales that saw 102,400 bales offered for sale and that used up \$202 million of available buyer's funds. The equivalent figure 12 months ago was \$158 million.

All types and micron ranges (other than 16.5 to 17.5 microns) were affected, but none was more affected than the Merino Cardings, whose average AWEX Price Guide fell by a further 198¢ (-13.1%) after the previous week's fall of 50¢. However, the average closing value was still very high at 1308¢.

It is difficult to know how much to read into the week's market, given that is generally agreed that it is in previously "uncharted waters". The closing EMI has only been higher three times previously; and that was in the three previous sales. Also, the US Exchange is now over 80¢ and coming sales will be smaller. They averaged 39,300 bales for the remaining weeks of the season last year.

The US Exchange Rate finished 0.52¢ (0.7%) higher to close at 80.16¢ on Wednesday, due to a weaker US Dollar.

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

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	497¢	622¢	799¢	961¢	1078¢
South	484¢	578¢	792¢	966¢	1084¢

Market Indicator	Four Sales Ago Week 23	Changes From			Season Average to Week 30 Last Year
		Start of the Season	Week 30 Last Year		
Eastern Market Indicator	+45 (+2.6%)	+221 (+14.5%)	+332 (+23.5%)	+289 (+21.7%)	
Western Market Indicator	+59 (+3.3%)	+255 (+16.3%)	+364 (+25.0%)	+272 (+19.4%)	

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 ¢	+9	+9	+2	-56	-58	-44	-35	-34	-10	+4	-18	
Change %	+0.3%	+0.3%	+0.1%	-2.4%	-2.6%	-2.1%	-1.7%	-1.8%	-0.6%	+0.2%	-1.1%	
Since Start of the Season												
Change ¢	+595	+489	+354	+214	+197	+254	+289	+285	+249	+242	+215	
Change %	+27.1%	+22.4%	+16.4%	+10.2%	+10.0%	+13.9%	+17.0%	+17.7%	+16.3%	+16.5%	+15.1%	
Since Same Week Last Year												
Change ¢	+769	+686	+539	+419	+359	+363	+364	+366	+353	+332		
Change %	+38.0%	+34.5%	+27.4%	+22.2%	+19.8%	+21.1%	+22.4%	+24.0%	+24.8%	+24.1%		

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 ¢	-47	-76	-74	-38	-16	-198
Change %	-3.8%	-6.7%	-9.1%	-6.4%	-4.1%	-13.1%
Since Start of the Season						
Change ¢	-2	-50	-30	-4	-9	+146
Change %	-0.2%	-4.5%	-3.9%	-0.7%	-2.3%	+12.6%
Since Same Week Last Year						
Change ¢	+154	+138	+76	+11	-37	+141
Change %	+14.9%	+15.0%	+11.5%	+2.0%	-9.0%	+12.1%

# Average Merino Cardings Price Guide

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## AWIS WOOL MARKET REVIEW Week Ending 26 January 2018 (Week 30)

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 November ABS export data.

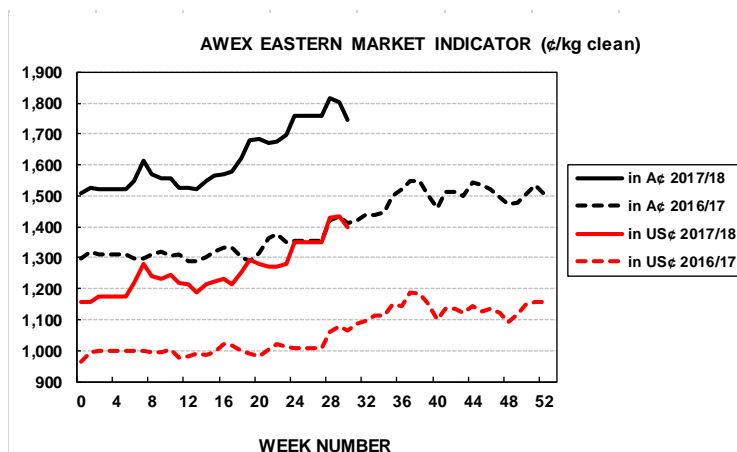
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re-Offered	Bales Sold
North	15,714	10,470	13.6%	1.0%	3.5%	9,049
South	29,025	24,533	13.8%	1.7%	1.3%	21,154
West	9,611	7,522	17.2%	2.1%	1.9%	6,227
<b>Australia</b>	<b>54,350</b>	<b>42,525</b>	<b>14.3%</b>	<b>1.6%</b>	<b>2.0%</b>	<b>36,430</b>

Actual and % Changes in the Progressive Offerings from Last Year	
+14,836	+4.9%
+48,437	+9.4%
-9,609	-4.5%
<b>+53,664</b>	<b>+5.2%</b>

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 31	Week 32	Week 33	Differences
North	11,310	11,450	10,430	-9.4%
South	22,937	20,985	22,419	+7.3%
West	8,538	7,850	8,450	-20.3%
<b>New Zealand</b>				
<b>Australia</b>	<b>42,785</b>	<b>40,285</b>	<b>41,299</b>	<b>-4.0%</b>
<b>Differences</b>	<b>+6.5%</b>	<b>-9.4%</b>	<b>-8.1%</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	79.64	+0.55	-0.29	-0.01	+0.27	Public	+0.52 (+0.7%)	80.16	75.45	80.16
Euro	65.31	+0.08	-0.03	-0.20	-0.11	Holiday	-0.26 (-0.4%)	65.05	63.94	67.39

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to November	
	November 2017	July to November 2017/18	July to November 2016/17	By Weight	By Value
China	80.1%	77.8%	78.0%	+8.2%	+22.5%
India	4.1%	5.8%	7.1%	-11.7%	+0.5%
Italy	3.9%	5.0%	5.0%	+11.7%	+52.6%
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	1620
Last Year	1408
2015/16	1254
2014/15	1102
2013/14	1070

SEASON AVERAGES		
Region	This Year	Diff
North	1702	+232
South	1569	+198
West	1675	+220

THIS YEAR'S EMI	
This Week	1744
First Week	1524
Low (0/01)	1522
High (0/01)	1818

COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1845	+254
South	1677	+197
West	1821	+255

BALES OFFERED	
This Year	1,086,131
Last Year	1,032,467
Difference	+53,664
% Diff	+5.2%
FIRST OFFERED BALES	
Difference	+5.7%
% of Offering	96%

REGION BALES		
This Sale:		Diff
North	10,470	
South	24,533	
West	7,522	
Progressive Totals:		Diff
North	315,465	+4.9%
South	565,756	+9.4%
West	204,910	-4.5%

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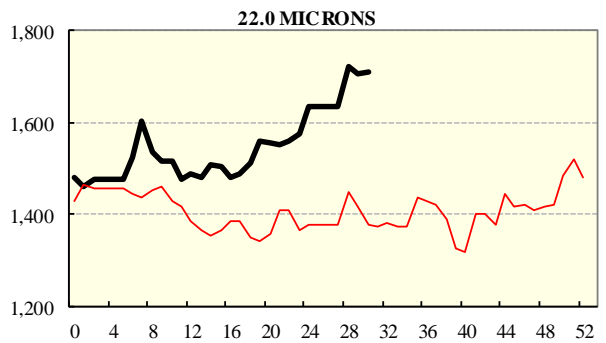
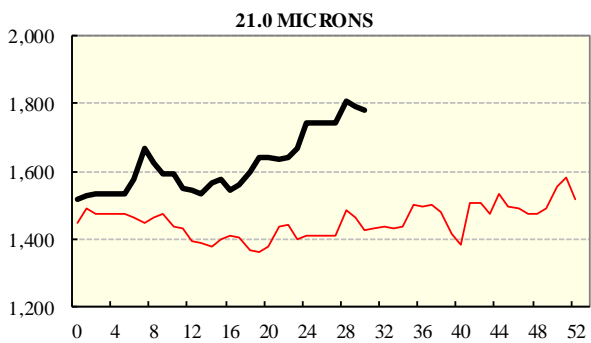
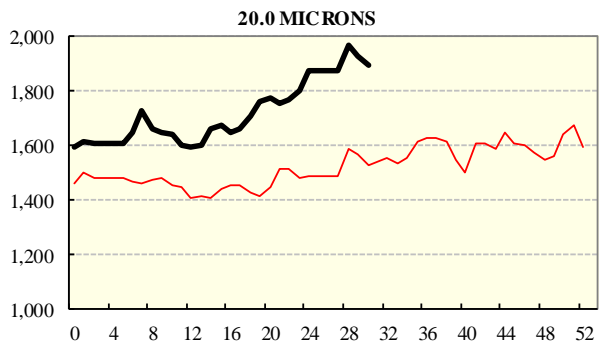
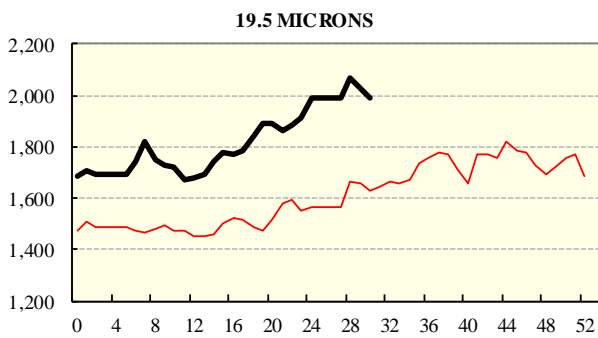
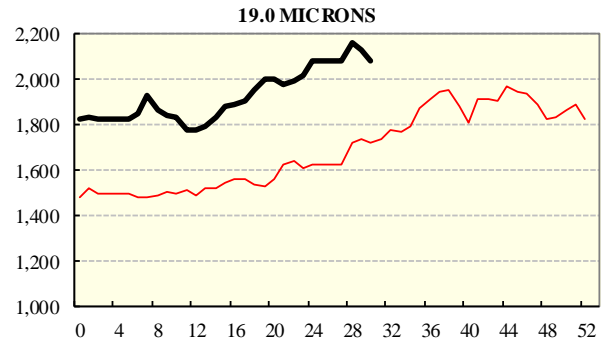
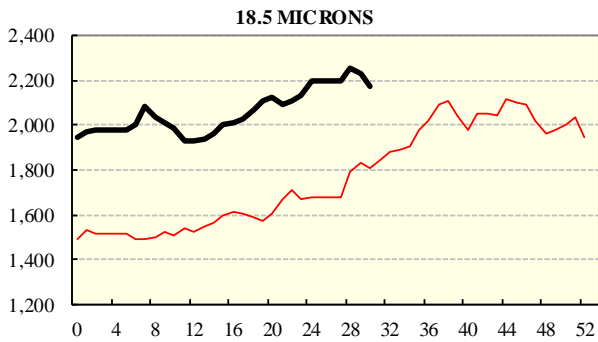
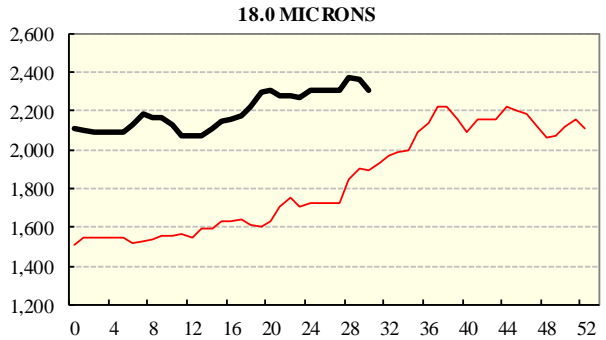
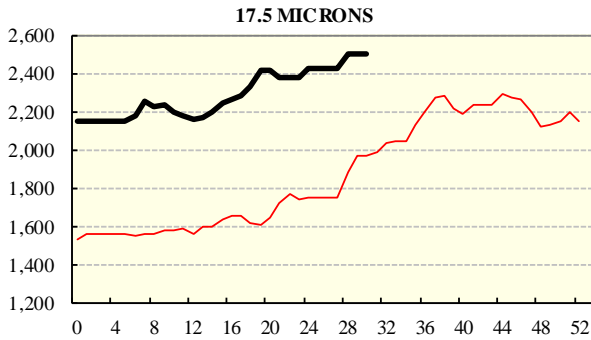
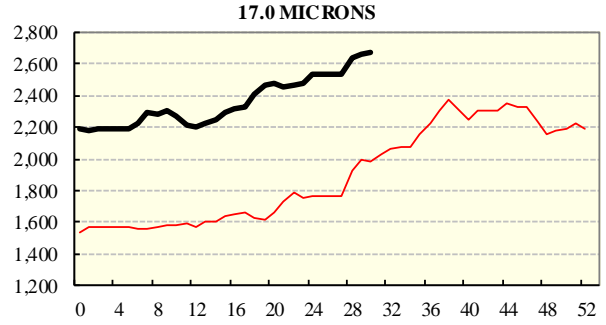
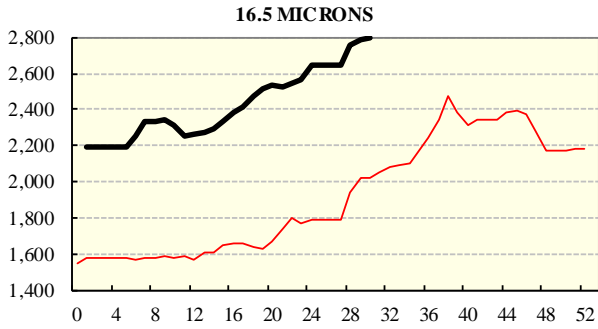
For further information

Peter Morgan

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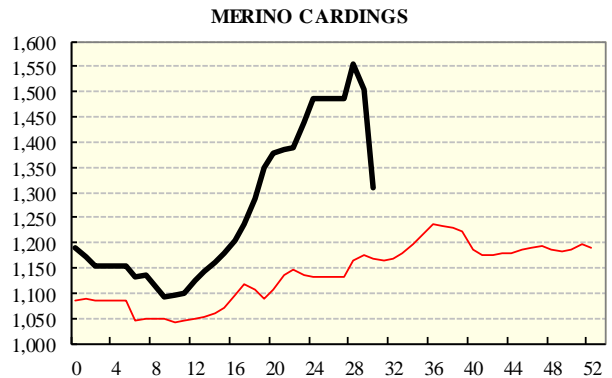
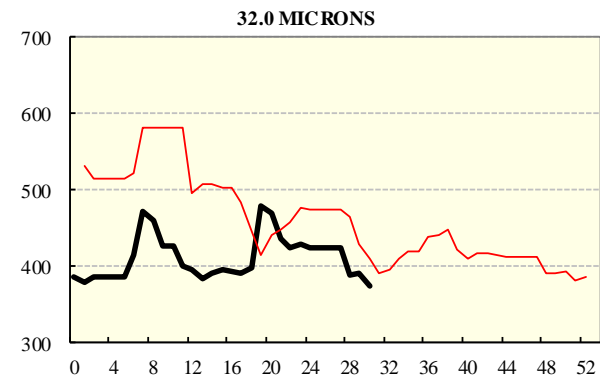
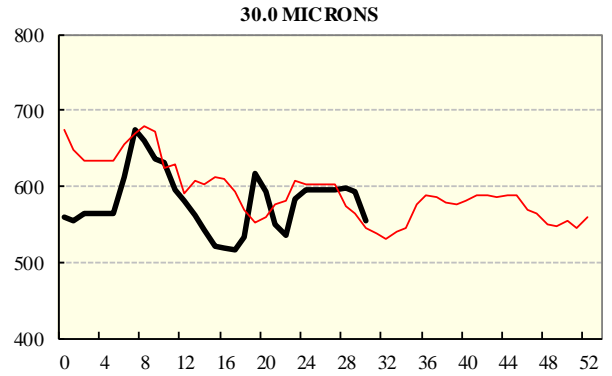
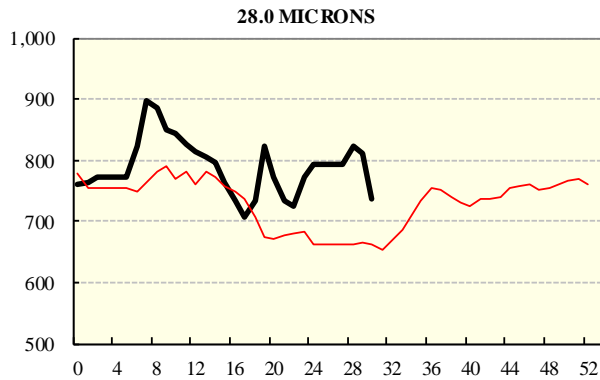
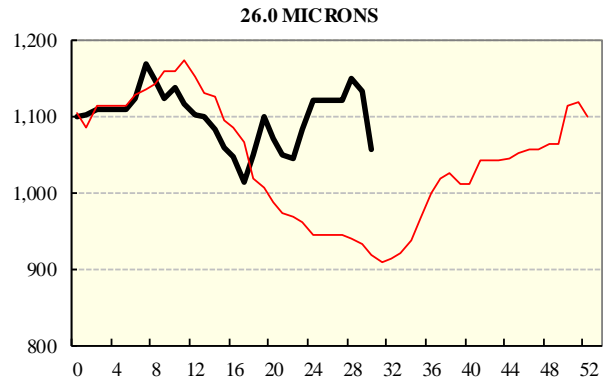
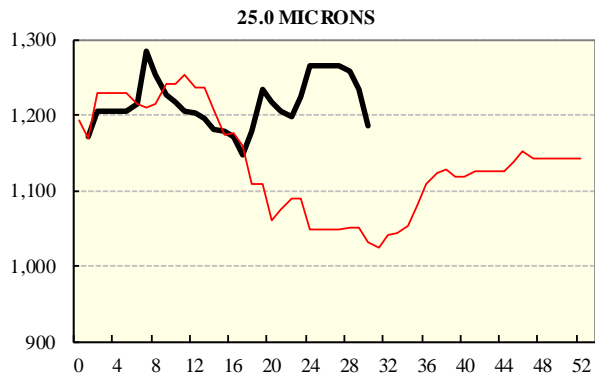
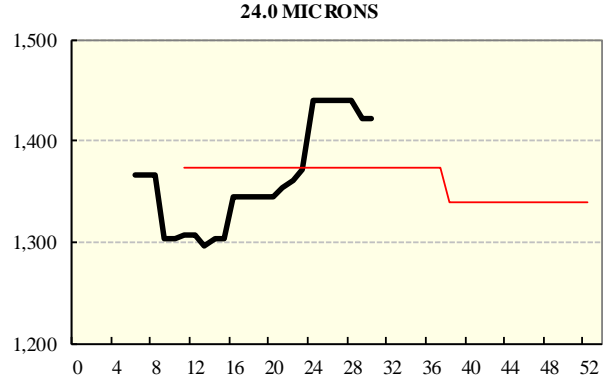
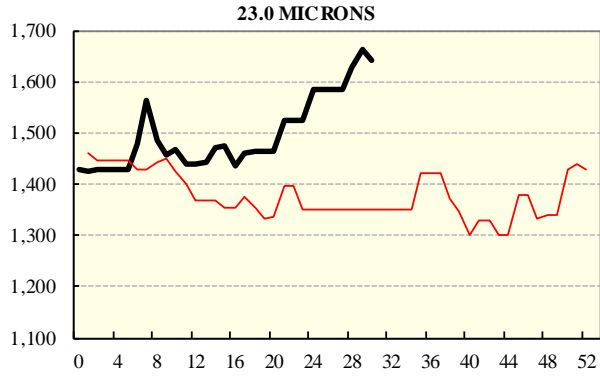
# AVERAGE AWEX MICRON PRICE GUIDES

ahc( black graph line) and 2016/17 (red graph line)



## AVERAGE AWEX MICRON PRICE GUIDES

ahe( 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)

