

# AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

Unit 9, 42 - 46 Vella Drive  
Sunshine West Vic 3020  
Australia  
Tel: 03 9311 0103  
Fax: 03 9311 0138



Email: awis@woolindustries.org  
Web: www.woolindustries.org  
ABN: 30 454 304 967  
Reg No: A0041776E

## AWIS WOOL MARKET REVIEW

Week Ending 27 October 2017 (Week 17)

The AWEX EMI finished 10¢ higher (+0.6%) in Australian currency and 15¢ lower (-1.2%) in US currency at sales in Sydney, Melbourne and Fremantle this week.

42,875 bales were on offer nationally, compared with 45,792 bales last sale. 3.2% of the offering was passed in.

AWEX reports that the value of the wool sold was \$78.7 million (\$1,870 per bale), taking the season total to \$1.005 billion.

The New Zealand Merino Company also offered 598 bales in Melbourne on Wednesday, of which 1.0% were passed in.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 17)									
Centre	Last Sale		Day-to-Day Changes (Week 17)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	16	1568	No Sale	-5	+15	+10 (+0.6%)	1578	-15	-15
Northern	16	1657	No Sale	0	+16	+16 (+1.0%)	1673	-12	-12
Southern	16	1511	No Sale	-7	+13	+6 (+0.4%)	1517	-17	-17
Western	16	1614	No Sale	-2	+22	+20 (+1.2%)	1634	-8	-9

The market fell sharply in US Currency on Wednesday, but was helped in Australian currency by a fall of 0.99¢ in the US Exchange Rate. Thursday was a much different day with rises in the EMI in both currencies; and the market closing on a strong note in Fremantle where the WMI finished 20¢ up on the previous week.

Merino skirtings eased on Wednesday, but also came back strongly on Thursday. Oddments did well on Wednesday; and even better on Thursday, when they were in keen demand. The average AWEX Merino Cardings Price Guide rose by a further 30¢ (+2.5%), the largest percentage gain of the week. It is at its highest level for season (1236¢). The only time Merino Cardings prices have been at this level before was in March this year.

Crossbreds continued their disappointing run, but with the fine end of the range more affected this time than the coarse end.

The US Exchange Rate finished 1.46¢ (-1.9%) lower to close at 77.06¢ on Thursday. It was the first time the closing US Exchange Rate has been below 78¢ since Week 02. Financial analysts mostly attributed the fall to the release of low inflation data in Australia that is expected to put any potential increase in interest rates "on hold".

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	576¢	718¢	835¢	894¢	962¢
South	518¢	662¢	767¢	782¢	900¢

Market Indicator	Four Sales Ago Week 13	Changes From		
		Start of the Season	Week 17 Last Year	Season Average to Week 17 Last Year
Eastern Market Indicator	+56 (+3.7%)	+55 (+3.6%)	+247 (+18.6%)	+243 (+18.6%)
Western Market Indicator	+64 (+4.1%)	+68 (+4.3%)	+241 (+17.3%)	+214 (+15.4%)

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
<b>Since Last Sale</b>												
Change ¢	+39	+14	+27	+24	+13	+19	+14	+14	+12	+9	+22	
Change %	+1.6%	+0.6%	+1.2%	+1.1%	+0.6%	+1.0%	+0.8%	+0.9%	+0.8%	+0.6%	+1.5%	
<b>Since Start of the Season</b>												
Change ¢	+222	+140	+136	+81	+50	+78	+85	+52	+28	+19	+31	
Change %	+10.1%	+6.4%	+6.3%	+3.9%	+2.5%	+4.3%	+5.0%	+3.2%	+1.8%	+1.3%	+2.2%	
<b>Since Same Week Last Year</b>												
Change ¢	+755	+664	+635	+538	+416	+344	+269	+205	+155	+104	+84	
Change %	+45.4%	+40.0%	+38.4%	+32.8%	+25.9%	+22.0%	+17.7%	+14.1%	+11.0%	+7.5%	+6.1%	

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 ¢	-23	-32	-28	-1	-2	+30
Change %	-2.0%	-3.1%	-3.8%	-0.2%	-0.5%	+2.5%
<b>Since Start of the Season</b>						
Change ¢	-41	-92	-61	-42	+9	+74
Change %	-3.5%	-8.3%	-8.0%	-7.5%	+2.3%	+6.4%
<b>Since Same Week Last Year</b>						
Change ¢	-13	-51	-31	-77	-91	+120
Change %	-1.1%	-4.8%	-4.2%	-13.0%	-18.8%	+10.8%

# 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 August ABS export data.

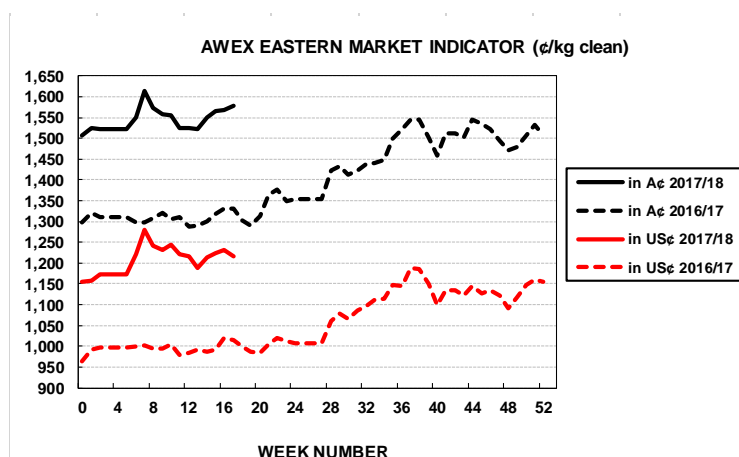
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re-Offered	Bales Sold
North	12,811	12,221	1.7%	0.3%	3.3%	12,018
South	23,726	21,555	3.7%	2.1%	2.7%	20,747
West	9,255	9,099	4.1%	1.1%	3.7%	8,727
<b>Australia</b>	<b>45,792</b>	<b>42,875</b>	<b>3.2%</b>	<b>1.4%</b>	<b>3.1%</b>	<b>41,492</b>

Actual and % Changes in the Progressive Offerings from Last Year	
+28,595	+17.8%
+41,601	+15.8%
-5,609	-5.0%
<b>+64,587</b>	<b>+12.1%</b>

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 18	Week 19	Week 20	Differences
North	11,167	11,300	10,720	<b>-18.4%</b>
South	26,723	21,720	25,500	<b>+3.1%</b>
West	9,376	7,850	8,050	<b>-9.6%</b>
<b>New Zealand</b>	<b>550</b>			
<b>Australia</b>	<b>47,266</b>	<b>40,870</b>	<b>44,270</b>	<b>-5.6%</b>
<b>Differences</b>	<b>+2.8%</b>	<b>-13.3%</b>	<b>-6.2%</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	78.52	-0.07	-0.19	-0.07	-0.99	-0.14	-1.46 (-1.9%)	77.06	75.97	80.00
Euro	66.53	-0.13	+0.09	-0.01	-0.82	-0.50	-1.37 (-2.1%)	65.16	65.16	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	1552
Last Year	1408
2015/16	1254
2014/15	1102
2013/14	1070

SEASON AVERAGES		
Region	This Year	Diff
North	1628	+158
South	1504	+134
West	1601	+147

THIS YEAR'S EMI	
This Week	1578
First Week	1524
Low (0/01)	1522
High (0/01)	1614

COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1673	+82
South	1517	+37
West	1634	+68

BALES OFFERED	
This Year	600,171
Last Year	535,584
Difference	+64,587
% Diff	+12.1%
FIRST OFFERED BALES	
Difference	+11.1%
% of Offering	95%

REGION BALES		
This Sale:		
North	12,221	
South	21,555	
West	9,099	
Progressive Totals:		Diff
North	189,165	+17.8%
South	304,349	+15.8%
West	106,657	-5.0%

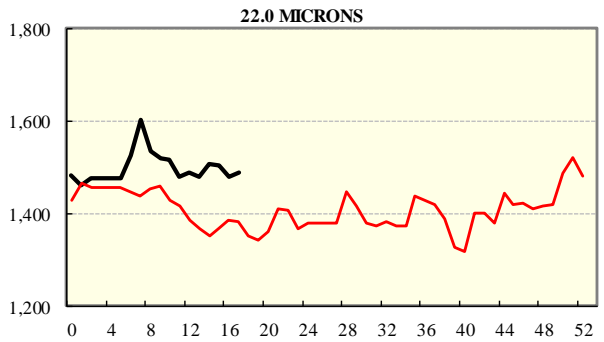
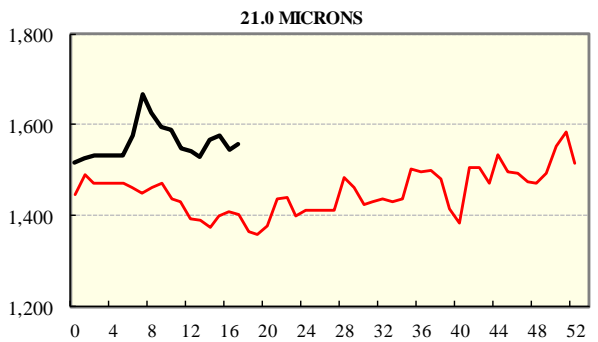
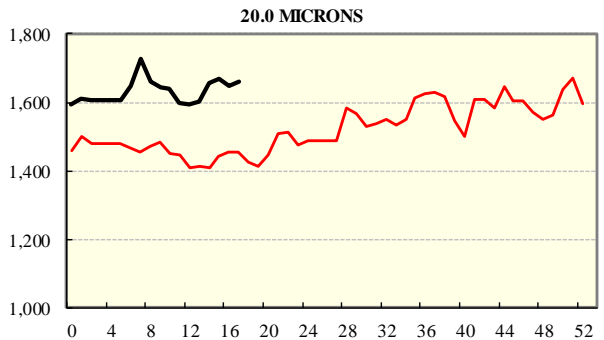
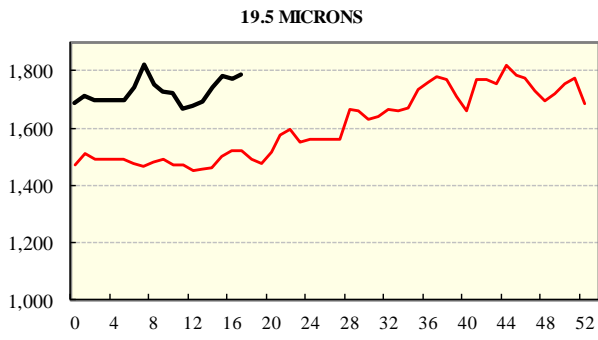
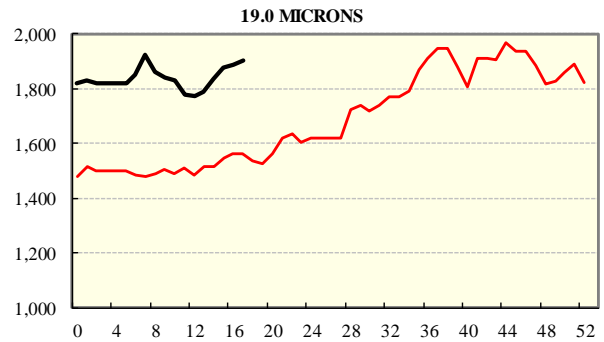
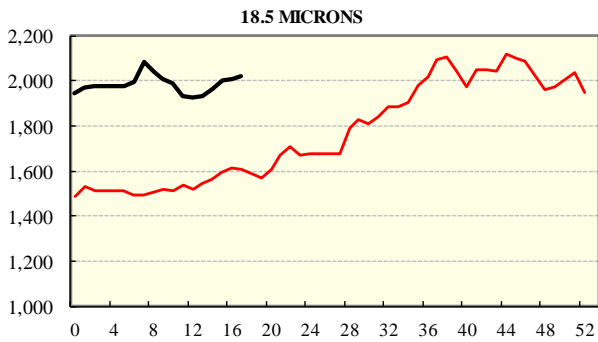
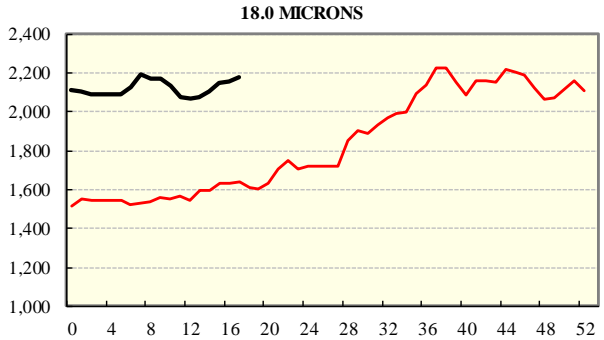
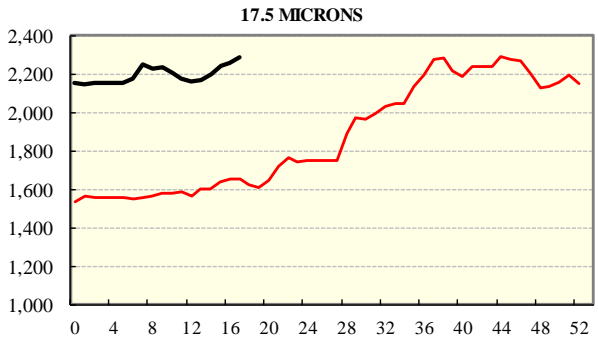
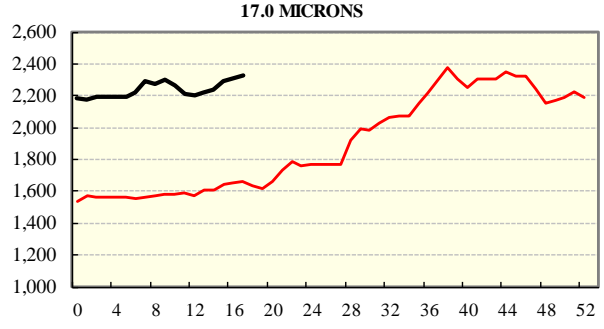
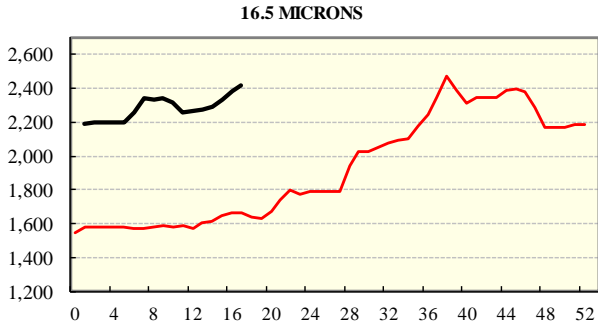
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For further information

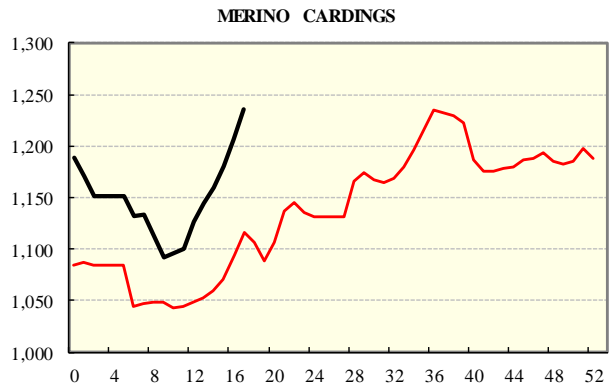
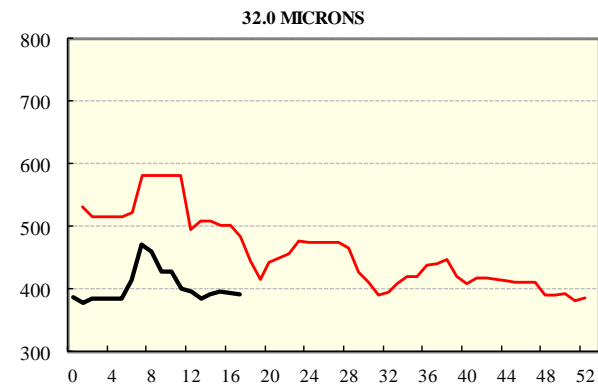
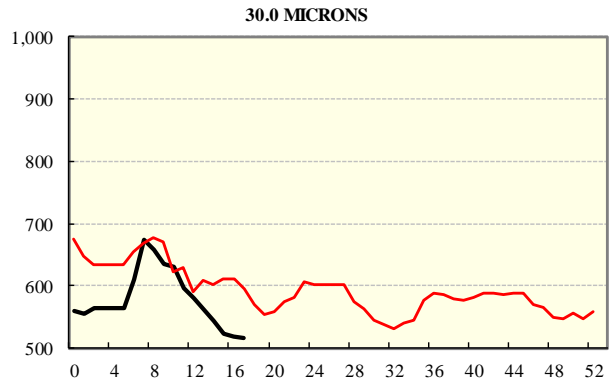
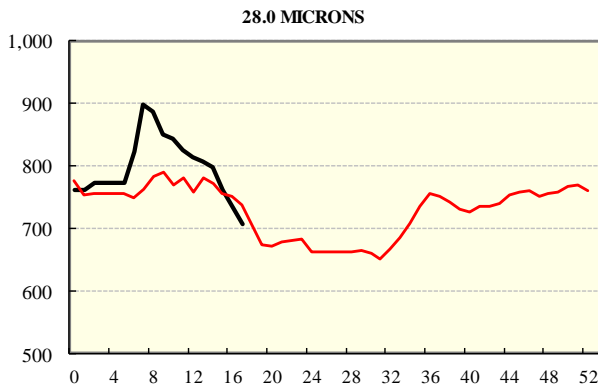
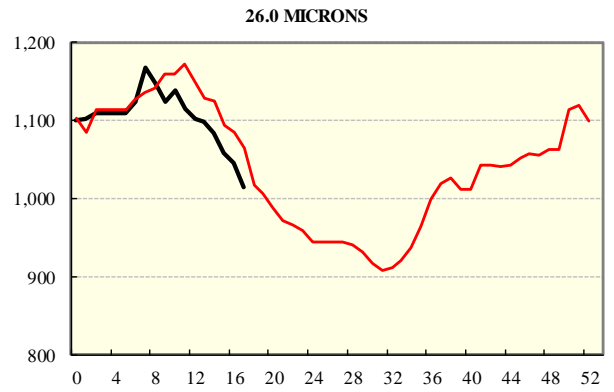
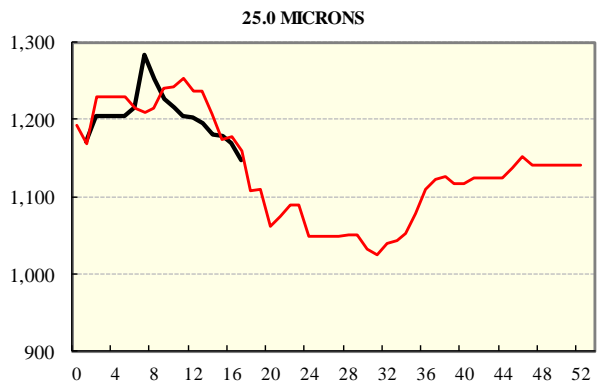
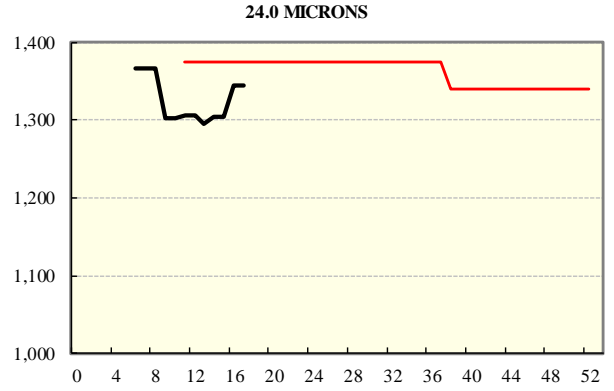
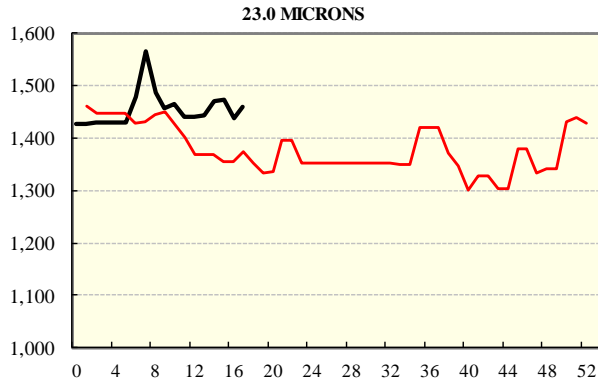
Peter Morgan

03 9311 0103

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

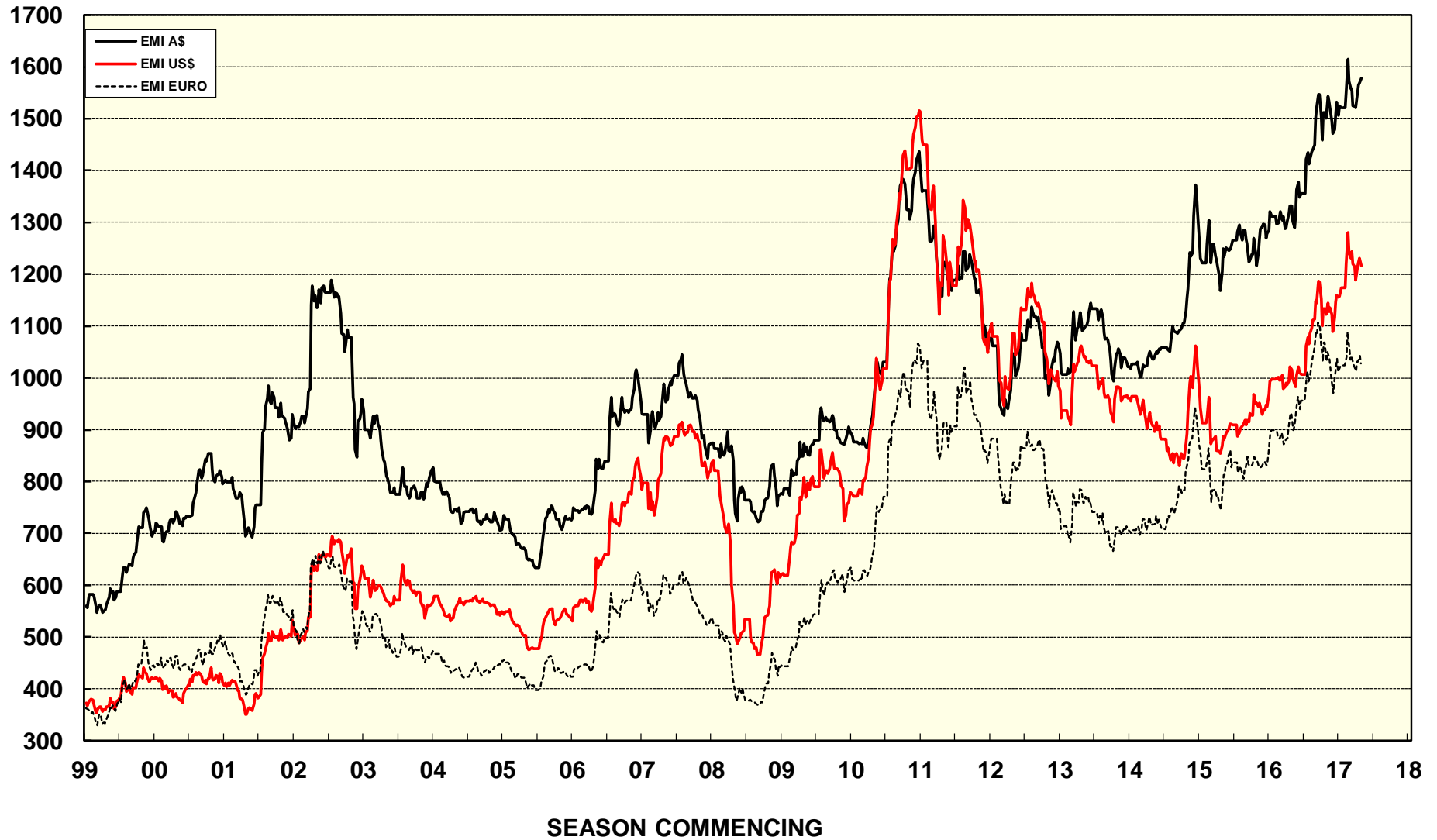


**AVERAGE AWEX MICRON PRICE GUIDES**  
 2017/18( black graph line) and 2016/17 (red graph line)



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

(In Australian, United States and European Currencies)



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For further information

Peter Morgan

03 9311 0103