

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW Week Ending 8 December 2017 (Week 23)

The AWEX EMI finished 23¢ higher (+1.4%) in Australian currency and 11¢ higher (+0.9%) in US currency at sales in Sydney, Melbourne and Fremantle this week.

48,599 bales were on offer nationally, compared with 49,058 bales last sale. 3.1% of the offering was passed in.

AWEX reports that the value of the wool sold was \$89.1 million (\$1,891 per bale), taking the season total to \$1.5 billion.

The New Zealand Merino Company also offered 431 bales in Melbourne on Tuesday, of which 5.1% were passed in.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 23)									
Centre	Last Sale		Day-to-Day Changes (Week 23)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	22	1676	-1	+9	+15	+23 (+1.4%)	1699	+11	+15
Northern	22	1756	No Sale	+9	+17	+26 (+1.5%)	1782	+13	+17
Southern	22	1626	-2	+10	+12	+20 (+1.2%)	1646	+9	+13
Western	22	1725	No Sale	+17	+20	+37 (+2.1%)	1762	+21	+24

The market opened on a relatively unchanged note when only Melbourne sold on Tuesday. This was followed by an increasingly stronger market across all wool types and micron ranges over the next two days; and included a good finish in Fremantle on Thursday. The increasing strength of the market was reflected in the Pass-In Rate, which started at 6.1% on Tuesday and finished at 1.6% on Thursday.

The average AWEX Merino MPGs moved up by around 1% on average, but were overshadowed by the crossbreds, which had significant increases up to 30 microns and by the oddments. The average AWEX Merino Cardings Price Guide moved up by a further 50¢ (+3.6%) to 1438¢. Merino skirtings were in keen demand and finished strongly on Thursday.

The US Exchange Rate weakened on Wednesday and Thursday to finish 0.40¢ (-0.5%) lower at 75.45¢ on Thursday. Financial analysts attributed the downward movement to the release of lower Australian trade data on Tuesday.

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

The coming week's sale is the last before the three-week Christmas break. The expected offering is currently 52,300 bales, which must include all, or nearly all, available bale.

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	541¢	692¢	807¢	896¢	993¢
South	569¢	703¢	811¢	907¢	995¢

Market Indicator	Changes From			
	Four Sales Ago Week 19	Start of the Season	Week 23 Last Year	Season Average to Week 23 Last Year
Eastern Market Indicator	+18 (+1.1%)	+176 (+11.6%)	+350 (+25.9%)	+272 (+20.7%)
Western Market Indicator	+40 (+2.3%)	+196 (+12.5%)	+351 (+24.9%)	+249 (+17.9%)

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 ¢	+25	+11	+3	-11	+18	+24	+27	+35	+25	+14		+10
Change %	+1.0%	+0.4%	+0.1%	-0.5%	+0.9%	+1.2%	+1.4%	+2.0%	+1.5%	+0.9%		+0.7%
Since Start of the Season												
Change ¢	+371	+289	+230	+174	+155	+191	+210	+193	+138	+105	+98	
Change %	+16.9%	+13.2%	+10.7%	+8.3%	+7.9%	+10.4%	+12.3%	+12.0%	+9.0%	+7.1%	+6.9%	
Since Same Week Last Year												
Change ¢	+791	+718	+642	+561	+455	+413	+362	+325	+269	+208	+175	
Change %	+44.5%	+40.9%	+36.9%	+32.8%	+27.2%	+25.7%	+23.3%	+22.0%	+19.2%	+15.2%	+13.0%	

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 ¢	+28	+38	+46	+48	+5	+50
Change %	+2.3%	+3.6%	+6.3%	+9.0%	+1.2%	+3.6%
Since Start of the Season						
Change ¢	+37	-25	+5	+24	+46	+276
Change %	+3.1%	-2.3%	+0.7%	+4.3%	+12.0%	+23.8%
Since Same Week Last Year						
Change ¢		+121	+89	-23	-47	+303
Change %		+12.6%	+13.0%	-3.8%	-9.9%	+26.7%

Average Merino Cardings Price Guide

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AWIS WOOL MARKET REVIEW

Week Ending 8 December 2017 (Week 23)

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 October ABS export data.

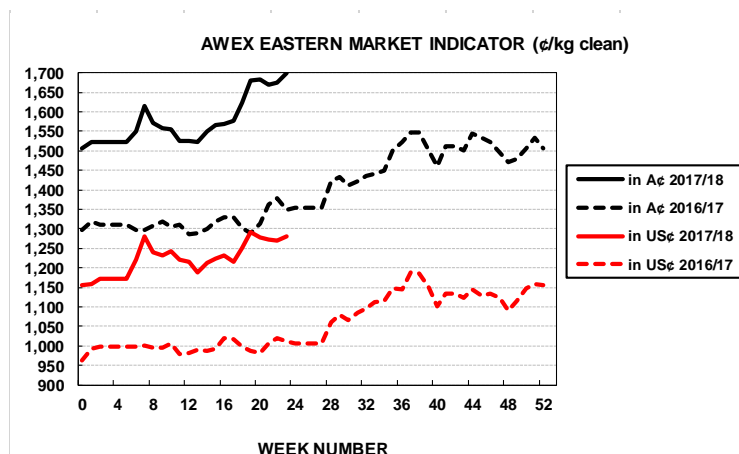
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re-Offered	Bales Sold
North	14,093	11,561	2.5%	2.2%	4.8%	11,273
South	24,718	27,728	3.6%	2.9%	2.1%	26,724
West	10,247	9,310	2.1%	3.1%	2.7%	9,117
Australia	49,058	48,599	3.1%	2.8%	2.9%	47,114

Actual and % Changes in the Progressive Offerings from Last Year	
+20,012	+8.2%
+47,710	+11.7%
-6,069	-3.5%
+61,653	+7.5%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 24	Week 25	Week 26	Differences
North	13,058	No Sale	No Sale	-16.2%
South	30,062	No Sale	No Sale	-0.6%
West	9,172	No Sale	No Sale	-4.8%
New Zealand				
Australia	52,292			-5.7%
Differences	-5.7%			

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	75.85	-0.21	+0.34	+0.53	-0.73	-0.33	-0.40 (-0.5%)	75.45	75.45	80.00
Euro	63.94	-0.44	+0.50	+0.46	-0.45	-0.06	+0.01 (+0.0%)	63.95	63.94	67.39

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to October	
	October 2017	July to October 2017/18	July to October 2016/17	By Weight	By Value
China	79.1%	77.1%	75.8%	+12.1%	+25.4%
India	6.6%	6.4%	7.5%	-5.9%	+7.0%
Italy	4.1%	5.2%	5.6%	+3.2%	+40.2%
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	1588
Last Year	1408
2015/16	1254
2014/15	1102
2013/14	1070

SEASON AVERAGES		
Region	This Year	Diff
North	1667	+198
South	1538	+168
West	1639	+184

THIS YEAR'S EMI	
This Week	1699
First Week	1524
Low (0/01)	1522
High (0/01)	1699

COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1782	+191
South	1646	+166
West	1762	+196

BALES OFFERED	
This Year	884,826
Last Year	823,173
Difference	+61,653
% Diff	+7.5%
FIRST OFFERED BALES	
Difference	+7.2%
% of Offering	95.6%

REGION BALES		
This Sale:		
North	11,561	
South	27,728	
West	9,310	
Progressive Totals:		Diff
North	263,872	+8.2%
South	455,908	+11.7%
West	165,046	-3.5%

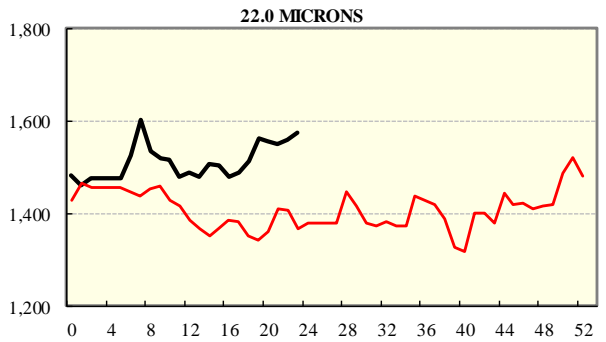
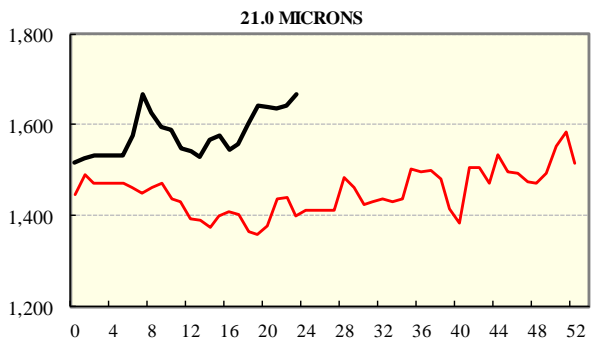
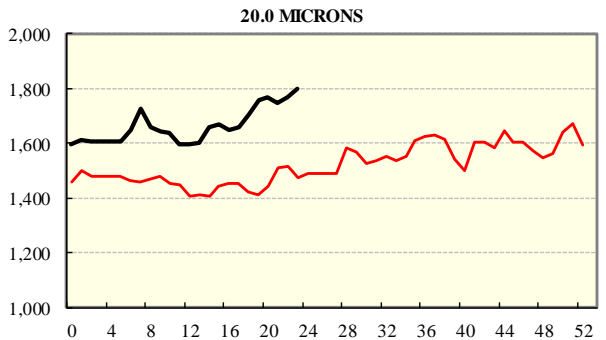
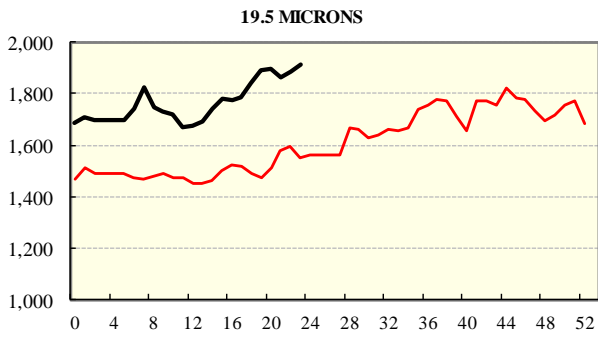
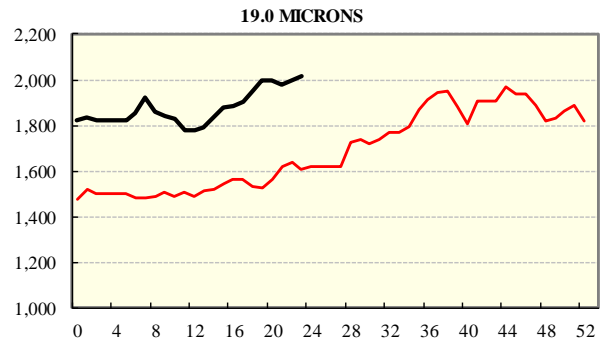
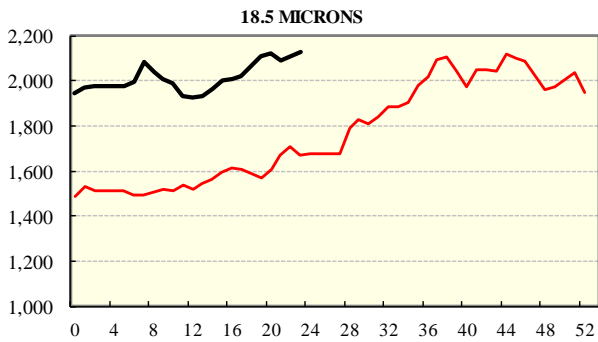
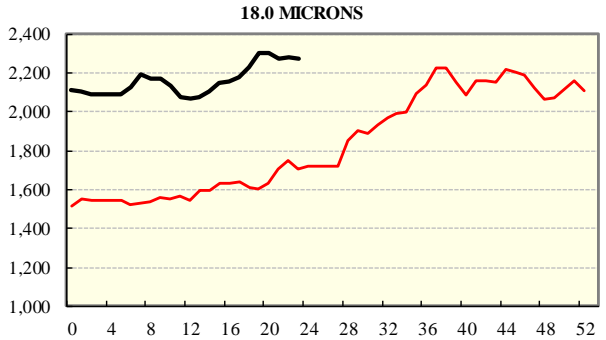
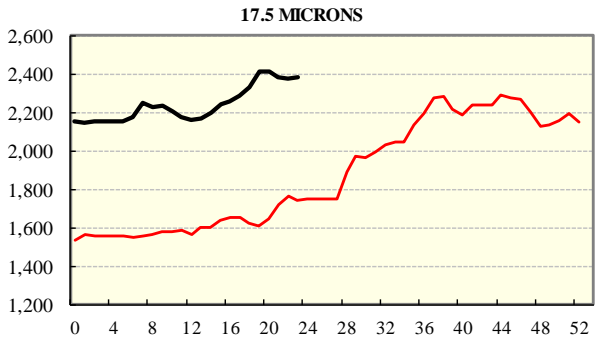
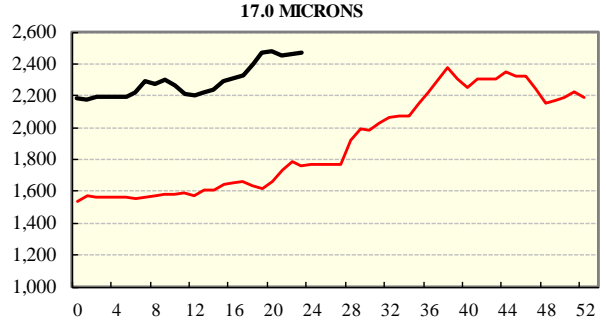
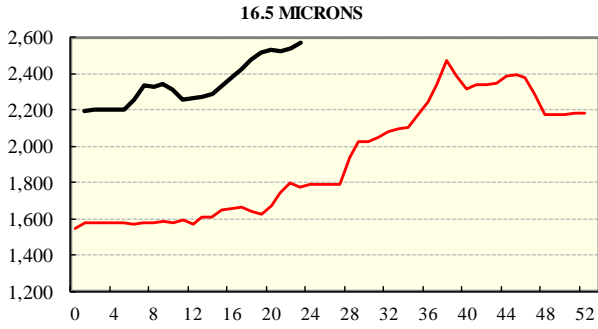
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For further information

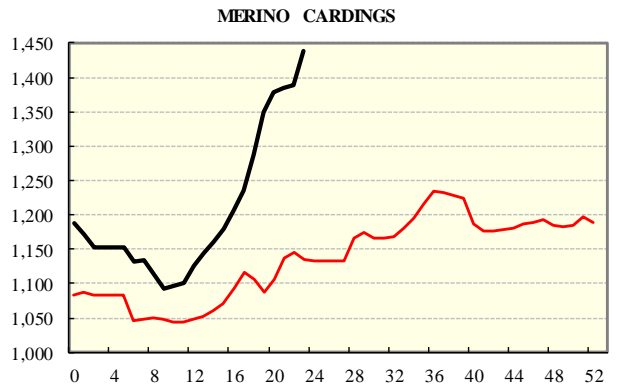
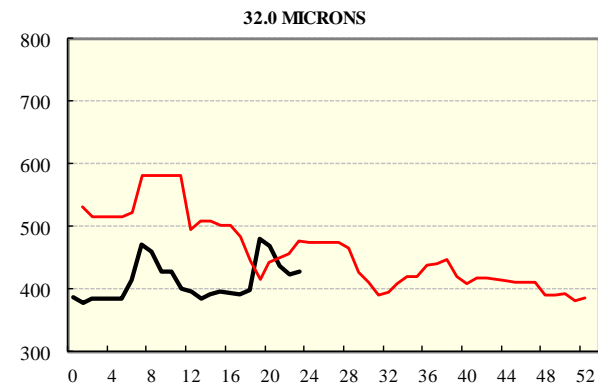
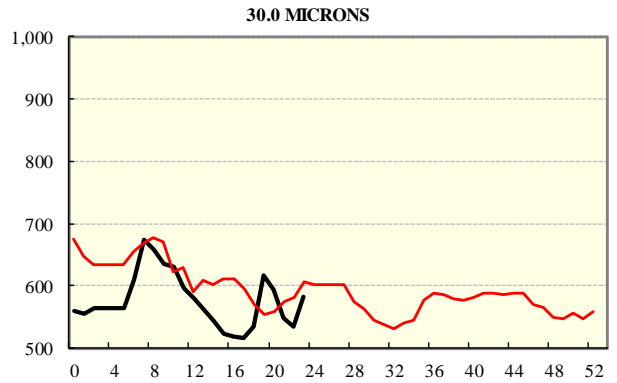
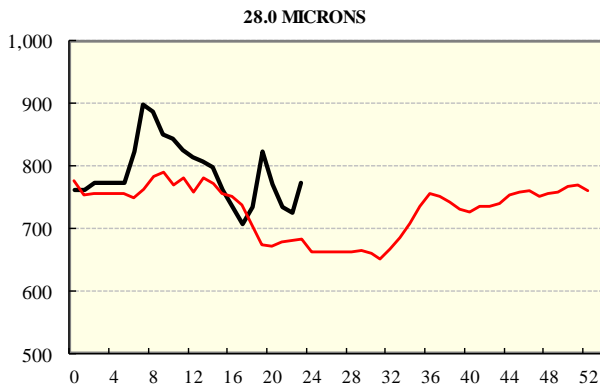
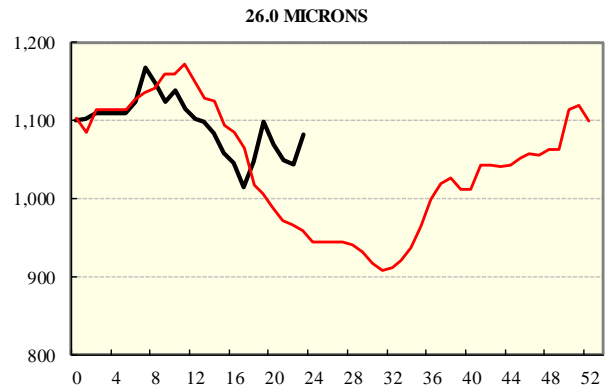
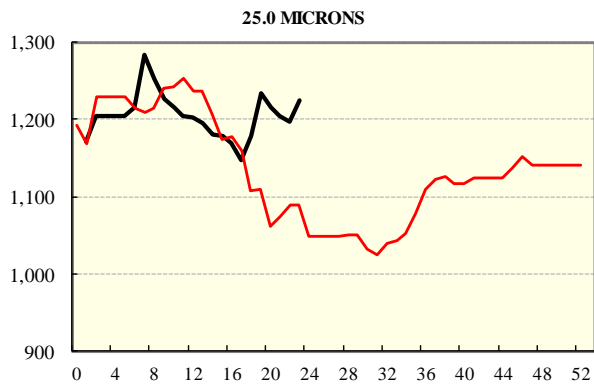
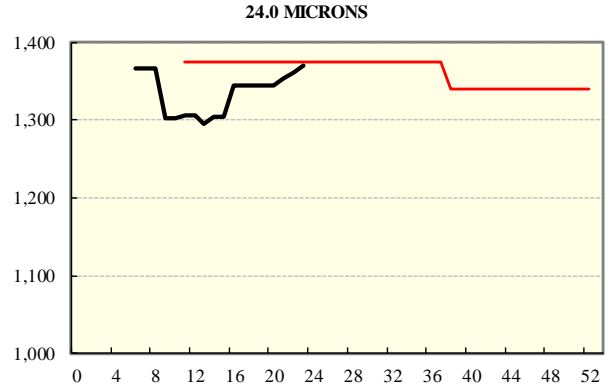
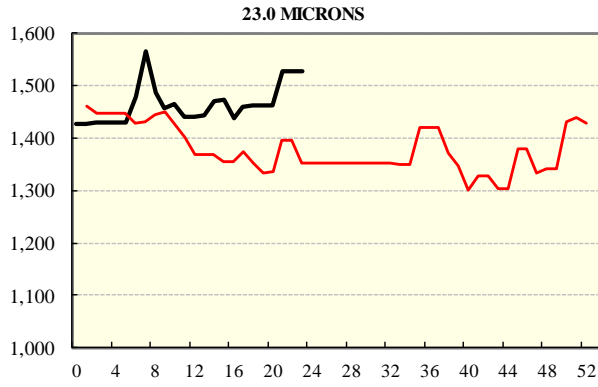
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AVERAGE AWEX MICRON PRICE GUIDES
 2017/18(black graph line) and 2016/17 (red graph line)

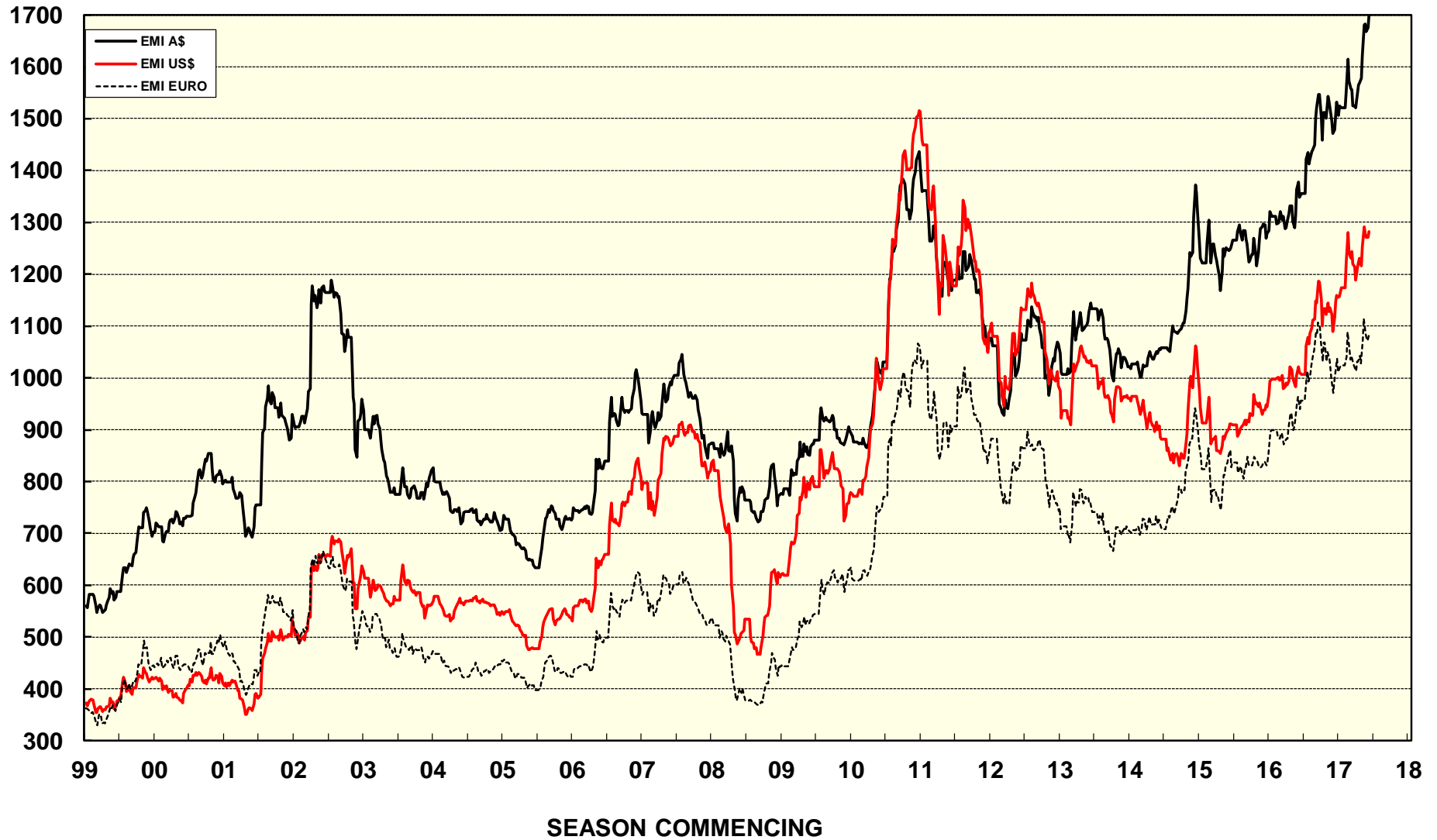


AVERAGE AWEX MICRON PRICE GUIDES
 2017/18(black graph line) and 2016/17 (red graph line)



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

(In Australian, United States and European Currencies)



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