

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW Week Ending 9 February 2018 (Week 32)

The AWEX EMI finished 80¢ higher (+4.6%) in Australian currency and 22¢ higher (+1.6%) in US currency at sales in Sydney, Melbourne and Fremantle this week.

39,582 bales were on offer nationally, compared with 39,585 bales last sale. 2.1% of the offering was passed in.

AWEX reports that the value of the wool sold was \$79.0 million (\$2,038 per bale), taking the season total to \$2.1 billion.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 32)									
Centre	Last Sale		Day-to-Day Changes (Week 32)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	31	1738	No Sale	+70	+10	+80 (+4.6%)	1818	+22	+32
Northern	31	1829	No Sale	+61	+19	+80 (+4.4%)	1909	+20	+32
Southern	31	1681	No Sale	+75	+4	+79 (+4.7%)	1760	+23	+32
Western	31	1819	No Sale	+74	+28	+102 (+5.6%)	1921	+38	+46

It was another big week for the wool industry, in which the market made large gains and finished strongly in the West where the WMI was up by 28¢ for the day compared with a gain of +10¢ in the EMI. The EMI, NMI and SMI are now back at the record levels that they recorded in the first January sale, while the WMI is up by 33¢ from that sale.

The market in Australian currency was partly influenced by the 2.9% fall in the US Exchange Rate. But, this did not prevent significant gains from occurring across all types (including the crossbreds and oddments) and micron ranges. The average AWEX Merino Cardings Price Guide lifted 91¢ (+7.3%); and erasing part of the 287¢ fall over the three previous sales.

The US Exchange Rate finished 2.32¢ (-2.9%) lower to close at 78.12¢ on Thursday. Previous history indicates that the US is seen as a “safe haven” whenever there is a major global financial disruption such as the fall in stock markets earlier in the week. This normally results in a flow of currency into the United States and a strengthening of its currency.

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

There were also good gains in South Africa, where the Cape Wools Indicator was up by 3.1% since last week against a 0.5% depreciation of the Rand against the US Dollar and a 0.1% appreciation against the Euro.

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	No 22.0µ MPG	No 22.0µ MPG	No 22.0µ MPG	No 22.0µ MPG	No 22.0µ MPG

Market Indicator	Changes From			
	Four Sales Ago Week 28	Start of the Season	Week 32 Last Year	Season Average to Week 32 Last Year
Eastern Market Indicator	0 (0.0%)	+295 (+19.4%)	+381 (+26.5%)	+293 (+21.9%)
Western Market Indicator	+33 (+1.7%)	+355 (+22.7%)	+449 (+30.5%)	+283 (+20.1%)

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 ¢	+146	+97	+94	+77	+85	+84	+80	+88	+96	+125		
Change %	+5.2%	+3.6%	+3.7%	+3.3%	+3.9%	+4.0%	+4.0%	+4.6%	+5.3%	+7.3%		
Since Start of the Season												
Change ¢	+769	+603	+465	+305	+277	+331	+369	+384	+361	+380		
Change %	+35.0%	+27.6%	+21.6%	+14.6%	+14.0%	+18.1%	+21.7%	+23.9%	+23.6%	+25.9%		
Since Same Week Last Year												
Change ¢	+885	+728	+582	+431	+367	+387	+409	+441	+454	+468		
Change %	+42.5%	+35.3%	+28.6%	+21.9%	+19.5%	+21.8%	+24.6%	+28.4%	+31.6%	+33.9%		

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 ¢	+75	+59	+63	+49	+52	+92
Change %	+6.3%	+5.7%	+8.7%	+9.1%	+13.7%	+7.3%
Since Start of the Season						
Change ¢	+77	-3	+21	+31	+49	+197
Change %	+6.5%	-0.3%	+2.7%	+5.5%	+12.8%	+17.0%
Since Same Week Last Year						
Change ¢	+225	+191	+121	+60	+37	+190
Change %	+21.6%	+20.9%	+18.1%	+11.3%	+9.4%	+16.3%

Average Merino Cardings Price Guide

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AWIS WOOL MARKET REVIEW

Week Ending 9 February 2018 (Week 32)

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.

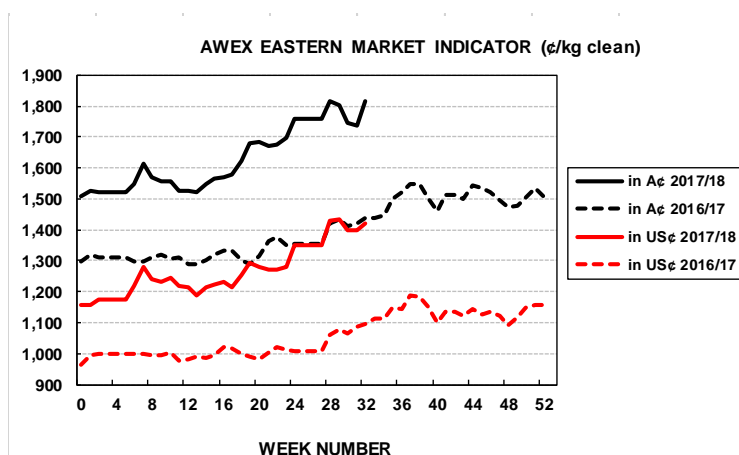
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re- Offered	Bales Sold
North	11,823	12,571	1.3%	0.4%	6.7%	12,411
South	19,669	19,886	2.5%	1.3%	6.0%	19,387
West	8,093	7,125	2.4%	2.5%	6.5%	6,957
Australia	39,585	39,582	2.1%	1.3%	6.3%	38,755

Actual and % Changes in the Progressive Offerings from Last Year	
+13,702	+4.2%
+47,961	+8.6%
-13,504	-5.8%
+48,159	+4.3%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 33	Week 34	Week 35	Differences
North	9,056	10,430	11,540	-12.4%
South	23,875	20,480	19,371	-4.5%
West	10,101	8,550	8,250	-5.7%
New Zealand				
Australia	43,032	39,460	39,161	-6.9%
Differences	-4.2%	-12.6%	-3.6%	

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	80.44	-0.47	-0.68	-0.85	+0.39	-0.71	-2.32 (-2.9%)	78.12	75.45	80.44
Euro	64.76	-0.75	-0.37	-0.16	+0.15	+0.09	-1.04 (-1.6%)	63.72	63.72	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%
Change all Countries				+10.6%	+20.9%



AVERAGE EMI	
This Year	1632
Last Year	1408
2015/16	1254
2014/15	1102
2013/14	1070

SEASON AVERAGES		
Region	This Year	Diff
North	1714	+245
South	1580	+210
West	1691	+236

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

COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1909	+318
South	1760	+280
West	1921	+355

BALES OFFERED	
This Year	1,165,298
Last Year	1,117,139
Difference	+48,159
% Diff	+4.3%
FIRST OFFERED BALES	
Difference	+4.9%
% of Offering	95.9%

REGION BALES		
This Sale:		
North	12,571	
South	19,886	
West	7,125	
Progressive Totals:		
North	339,859	+4.2%
South	605,311	+8.6%
West	220,128	-5.8%

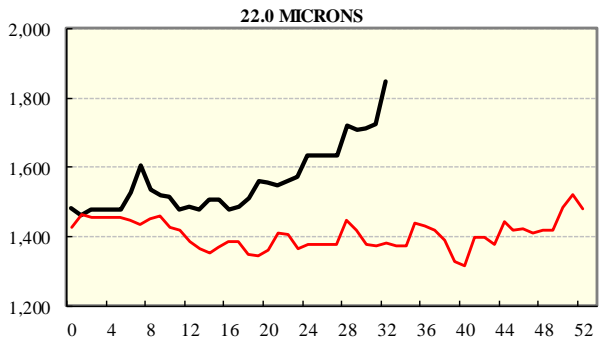
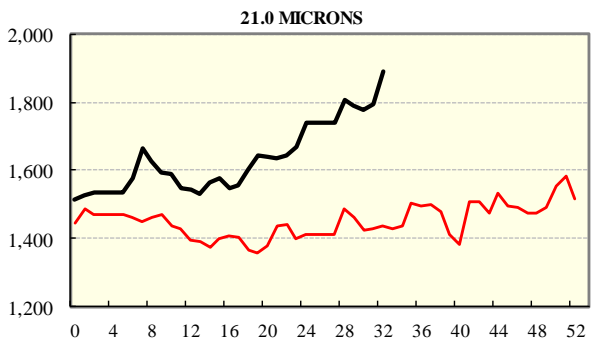
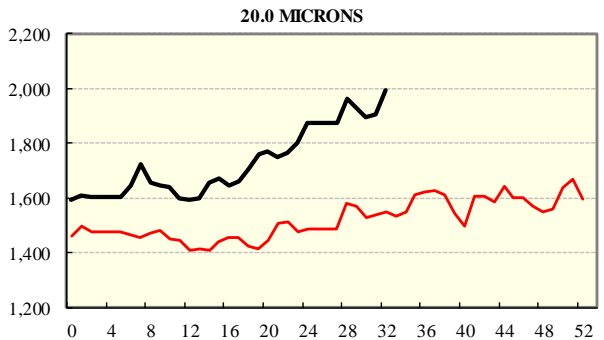
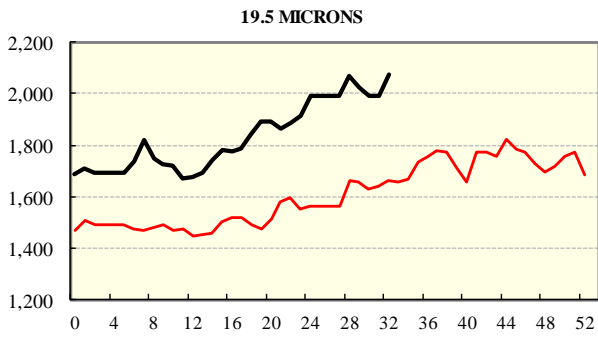
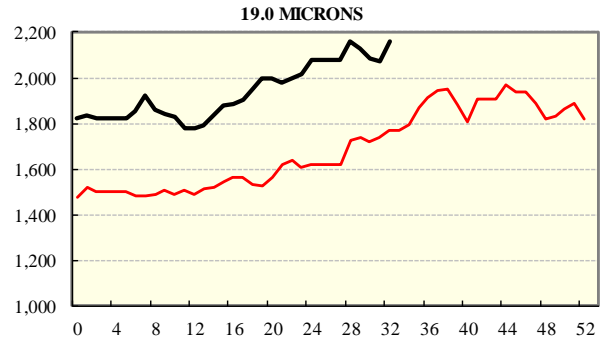
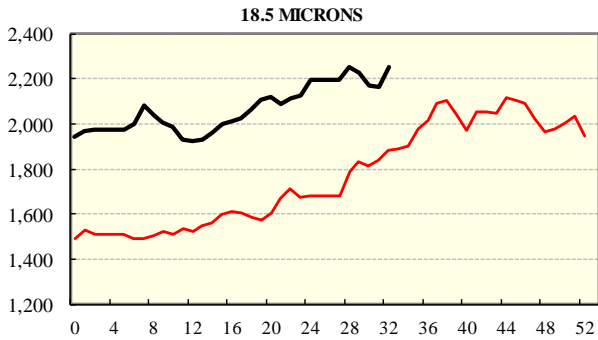
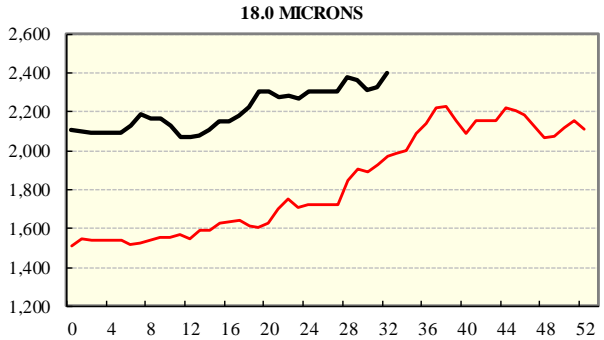
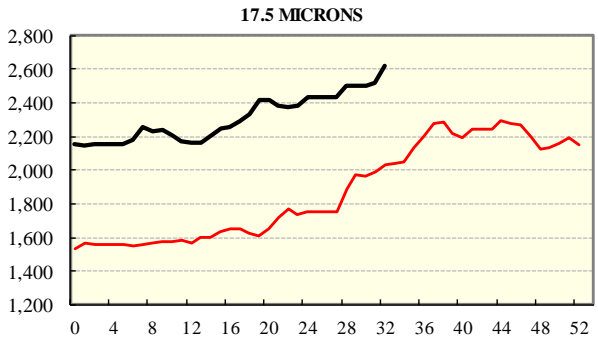
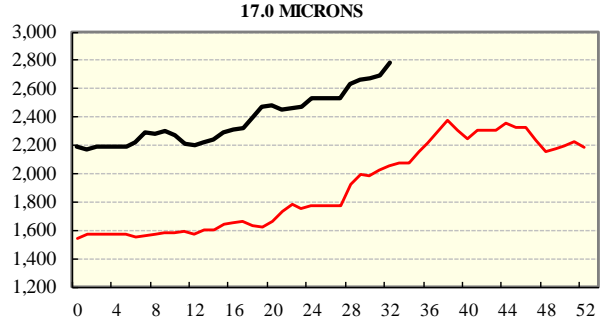
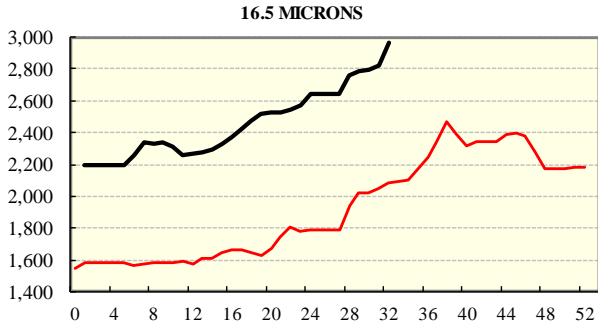
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For further information

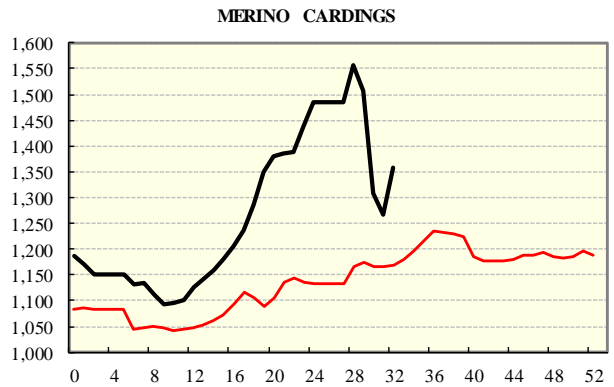
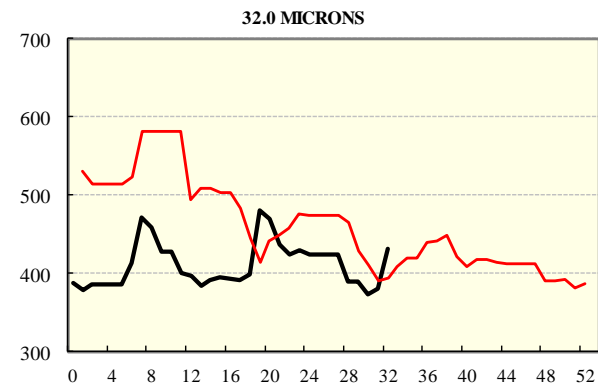
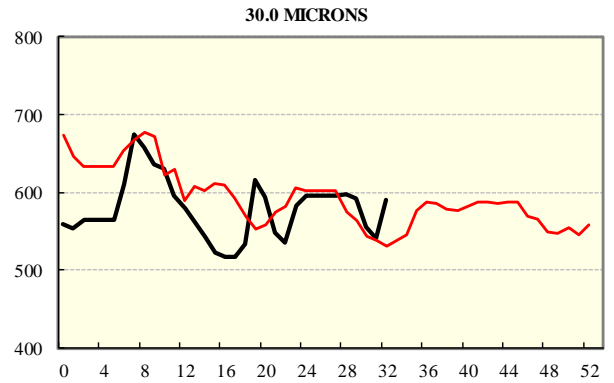
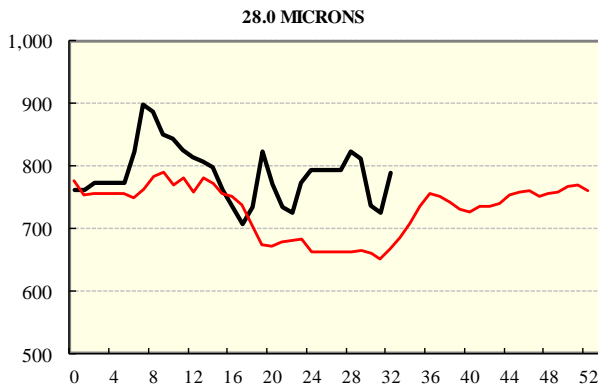
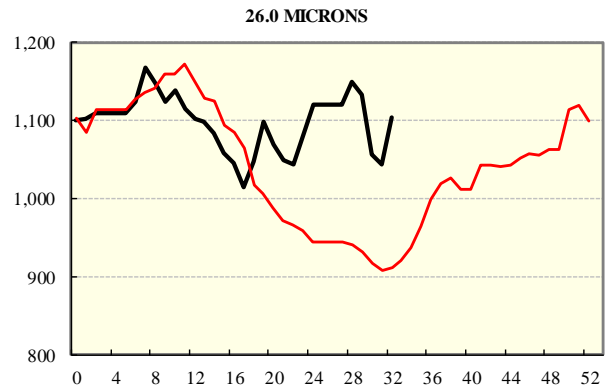
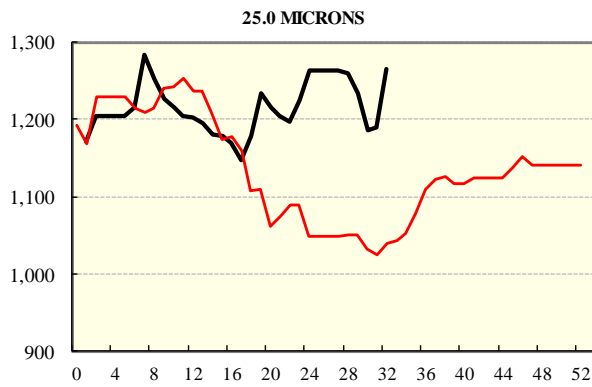
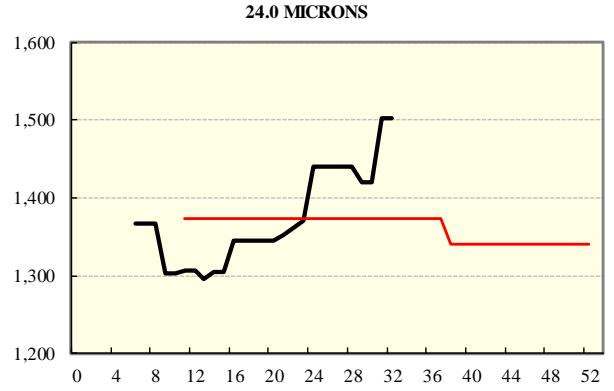
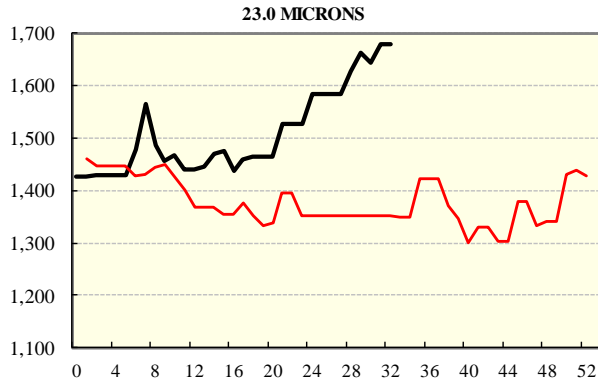
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AVERAGE AWEX MICRON PRICE GUIDES
 2017/18(black graph line) and 2016/17 (red graph line)

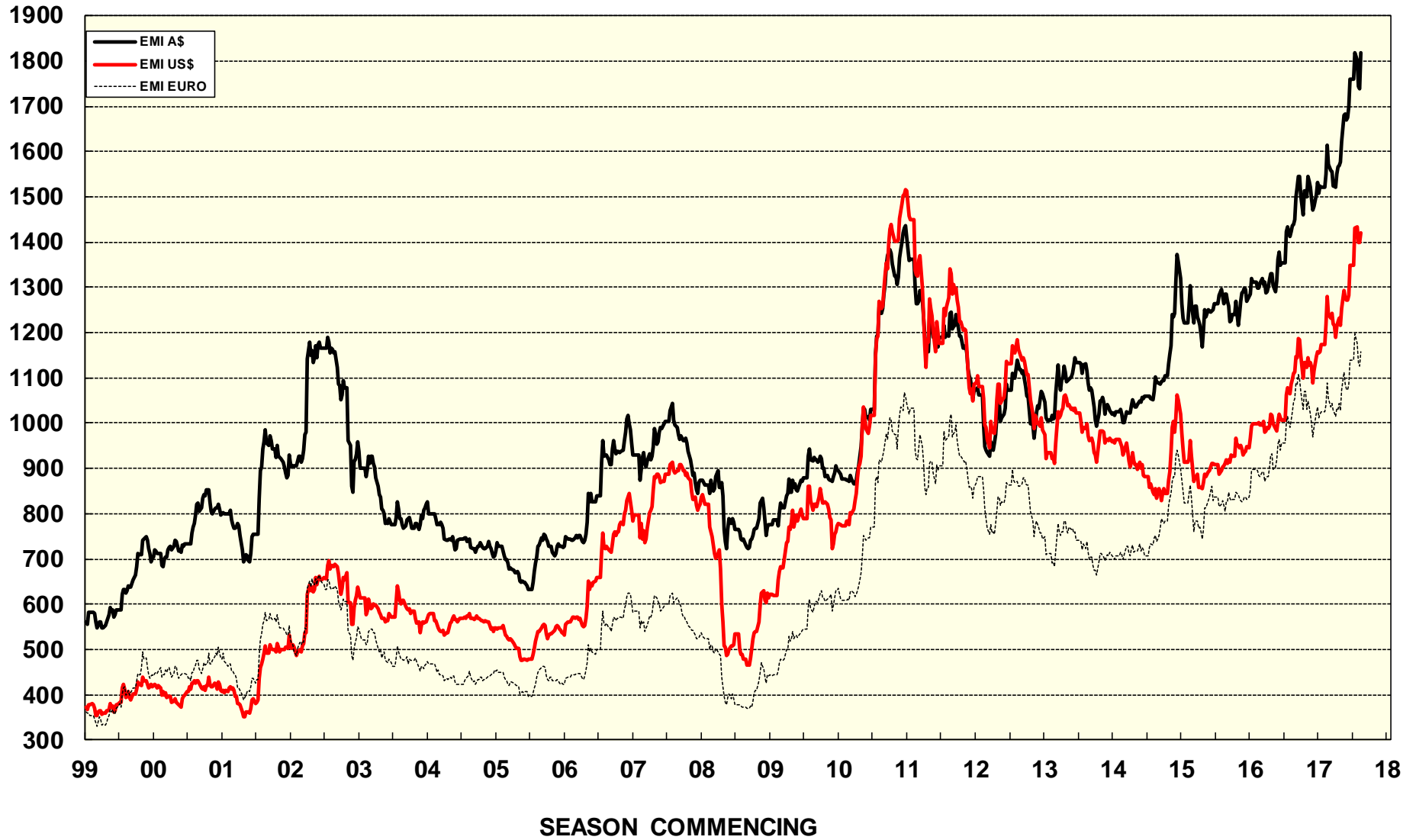


AVERAGE AWEX MICRON PRICE GUIDES
2017/18(black graph line) and 2016/17 (red graph line)



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

(In Australian, United States and European Currencies)



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