

# AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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## AWIS WOOL MARKET REVIEW Week Ending 9 March 2018 (Week 36)

The AWEX EMI finished at 1778¢, 52¢ lower (-2.8%) in Australian currency and 23¢ lower (-1.6%) in US currency at sales in Sydney, Melbourne and Fremantle this week.

45,536 bales were on offer nationally, compared with 44,150 bales last sale. 10.8% of the offering was passed in, most of which was due to the Merino Fleece which had a Pass-In rate of 14.7% (including 22.1% on Thursday).

AWEX reports that the value of the wool sold was \$76.2 million (\$1,876 per bale), taking the season total to \$2.4 billion.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 36)									
Centre	Last Sale		Day-to-Day Changes (Week 36)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	35	1830	-14	-20	-18	-52 (-2.8%)	1778	-23	-38
Northern	35	1900	No Sale	-24	-7	-31 (-1.6%)	1869	-6	-25
Southern	35	1785	-22	-17	-26	-65 (-3.6%)	1720	-33	-47
Western	35	1905	No Sale	-23	-23	-46 (-2.4%)	1859	-17	-35

This week has demonstrated the well known feature of markets that “they cannot go up for ever”. However, it should be noted that almost half of the fall in the EMI was associated with currency; and that purchases at auction since January have taken \$737 million of available finance compared with \$628 million in the same period last year.

Wools at the fine end continued to do best, with the smallest falls in the average AWEX Micron Price Guides occurring at 16.5 and 17.0 microns.

Crossbreds had a better week, with gains at the fine end and small losses at the coarse end.

The US Exchange Rate finished 0.99¢ (1.3%) higher to close at 78.30¢ on Thursday. Analysts have attributed the increase to uncertainty about economic direction in the United States.

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

Looking ahead, the offerings are expected to range between 42,000 and 44,000 bales over the next three 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	351¢	532¢	745¢	939¢	1176¢
South	316¢	515¢	704¢	No 17.0µ MPG	No 16.5µ MPG

Market Indicator	Changes From			
	Four Sales Ago Week 32	Start of the Season	Week 36 Last Year	Season Average to Week 36 Last Year
Eastern Market Indicator	-40 (-2.2%)	+255 (+16.7%)	+256 (+16.8%)	+299 (+22.0%)
Western Market Indicator	-62 (-3.2%)	+293 (+18.7%)	+303 (+19.5%)	+295 (+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 ¢	-26	-24	-45	-21	-62	-69	-71	-54	-50	-51		
Change %	-0.9%	-0.9%	-1.7%	-0.9%	-2.8%	-3.2%	-3.5%	-2.7%	-2.6%	-2.7%		
Since Start of the Season												
Change ¢	+822	+595	+423	+278	+194	+232	+279	+333	+355	+384	+402	
Change %	+37.4%	+27.2%	+19.7%	+13.3%	+9.8%	+12.7%	+16.4%	+20.7%	+23.2%	+26.1%	+28.2%	
Since Same Week Last Year												
Change ¢	+773	+561	+377	+235	+151	+149	+224	+317	+388	+423		
Change %	+34.4%	+25.3%	+17.2%	+11.0%	+7.5%	+7.8%	+12.7%	+19.5%	+25.9%	+29.6%		

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 ¢	+10	+30	+6	-5	-2	-23
Change %	+0.8%	+2.6%	+0.7%	-0.9%	-0.5%	-1.7%
Since Start of the Season						
Change ¢	+129	+78	+47	+16	+23	+134
Change %	+10.9%	+7.1%	+6.1%	+2.9%	+6.0%	+11.5%
Since Same Week Last Year						
Change ¢	+208	+185	+59	-12	-33	+61
Change %	+18.8%	+18.5%	+7.8%	-2.0%	-7.5%	+4.9%

# Average Merino Cardings Price Guide

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## AWIS WOOL MARKET REVIEW

Week Ending 9 March 2018 (Week 36)

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 January ABS export data.

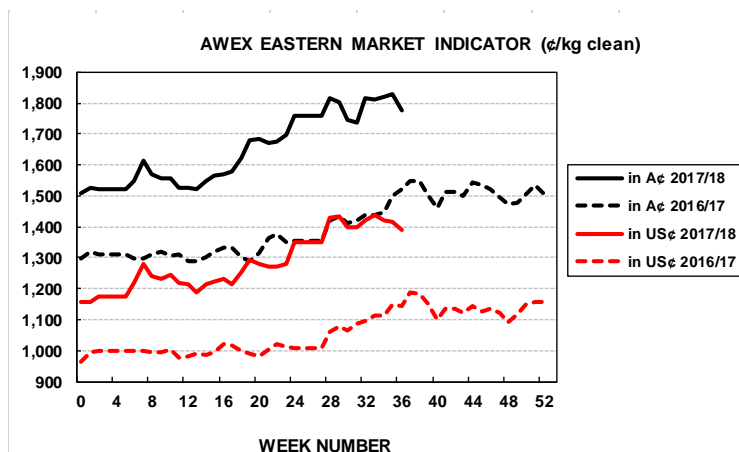
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re- Offered	Bales Sold
North	13,055	9,090	10.2%	0.3%	3.2%	8,163
South	20,846	28,594	8.9%	0.9%	4.3%	26,046
West	10,249	7,852	18.5%	1.1%	4.7%	6,400
<b>Australia</b>	<b>44,150</b>	<b>45,536</b>	<b>10.8%</b>	<b>0.8%</b>	<b>4.2%</b>	<b>40,609</b>

Actual and % Changes in the Progressive Offerings from Last Year	
+7,851	+2.1%
+52,315	+8.1%
-14,840	-5.4%
<b>+45,326</b>	<b>+3.5%</b>

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 37	Week 38	Week 39	Differences
North	10,546	10,560	11,760	-5.1%
South	23,591	23,260	23,506	+5.9%
West	9,757	8,950	8,750	-23.9%
<b>New Zealand</b>				
<b>Australia</b>	<b>43,894</b>	<b>42,770</b>	<b>44,016</b>	<b>-4.7%</b>
<b>Differences</b>	<b>+2.7%</b>	<b>-13.1%</b>	<b>-2.6%</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	77.31	+0.25	-0.04	+0.21	+0.31	+0.26	+0.99 (+1.3%)	78.30	75.45	80.44
Euro	63.40	-0.25	-0.24	+0.04	-0.09	+0.25	-0.29 (-0.5%)	63.11	63.11	67.39

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to January	
	January 2018	July to January 2017/18	July to January 2016/19	By Weight	By Value
China	81.4%	78.4%	79.0%	+5.6%	+20.8%
India	5.5%	5.3%	6.2%	-8.5%	+4.3%
Italy	3.1%	4.7%	4.7%	+4.4%	+42.2%
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%
<b>Change all Countries</b>				<b>+10.6%</b>	<b>+20.9%</b>



AVERAGE EMI	
This Year	1656
Last Year	1408
2015/16	1254
2014/15	1102
2013/14	1070

SEASON AVERAGES		
Region	This Year	Diff
North	1738	+269
South	1604	+234
West	1717	+263

THIS YEAR'S EMI	
This Week	1778
First Week	1524
Low (0/01)	1522
High (0/01)	1830

COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1869	+278
South	1720	+240
West	1859	+293

BALES OFFERED	
This Year	1,339,172
Last Year	1,293,846
Difference	+45,326
% Diff	+3.5%
FIRST OFFERED BALES	
Difference	+4.1%
% of Offering	95.8%

REGION BALES		
This Sale:		Diff
North	9,090	
South	28,594	
West	7,852	
Progressive Totals:		Diff
North	380,697	+2.1%
South	700,482	+8.1%
West	257,993	-5.4%

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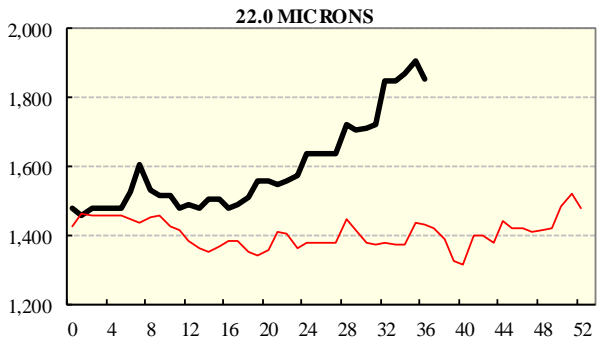
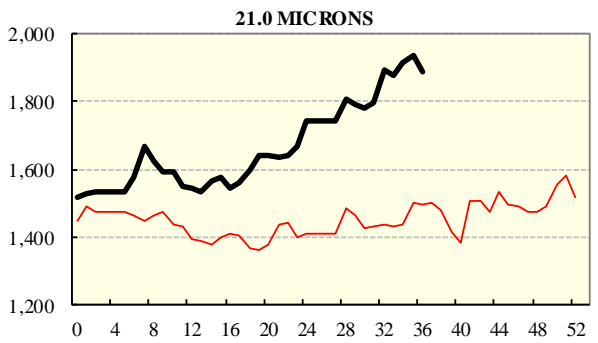
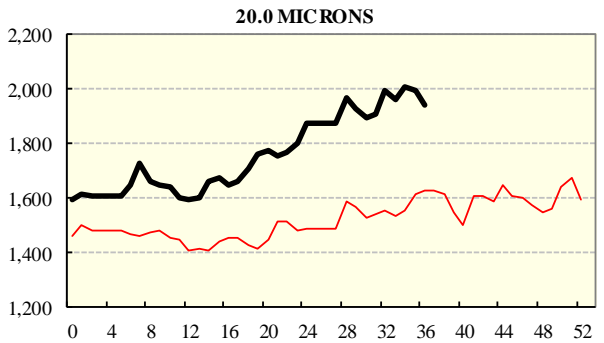
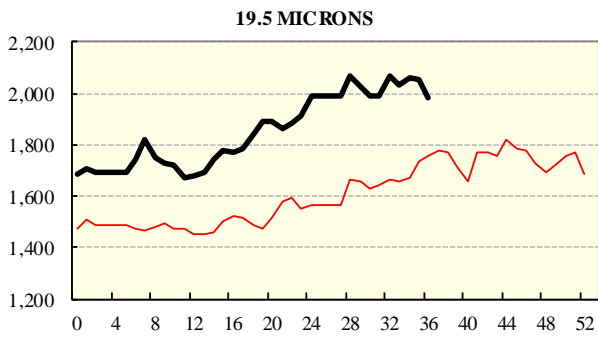
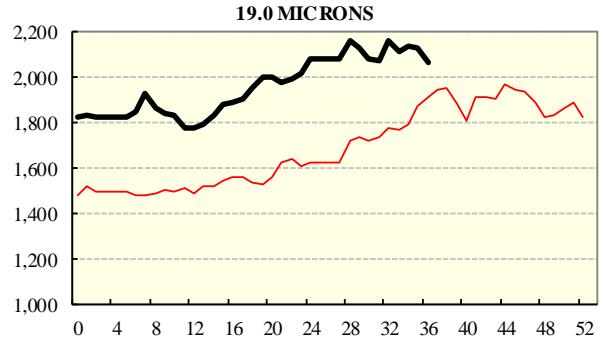
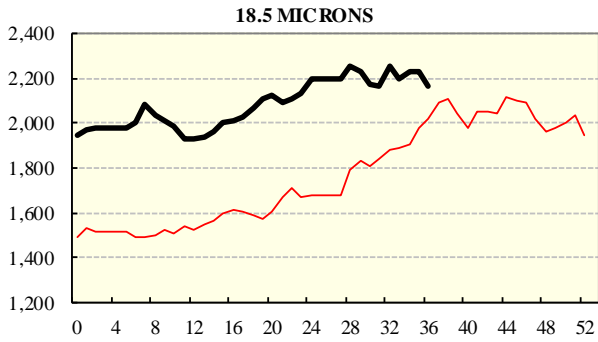
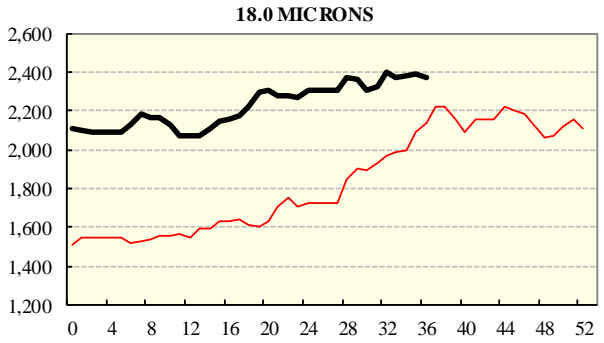
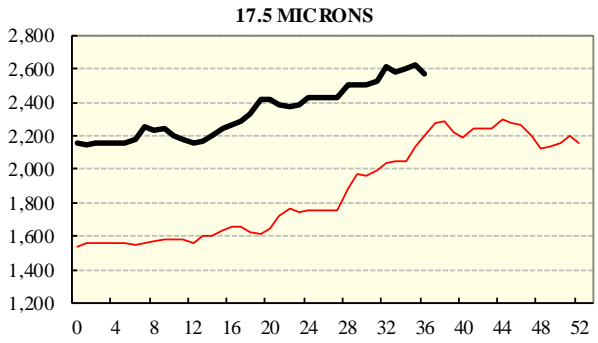
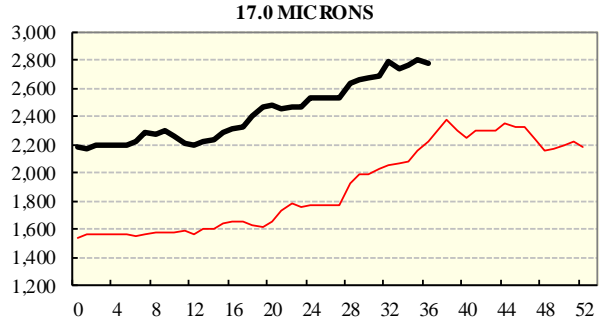
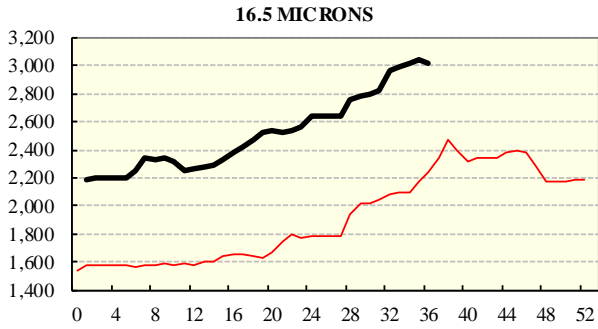
For further information

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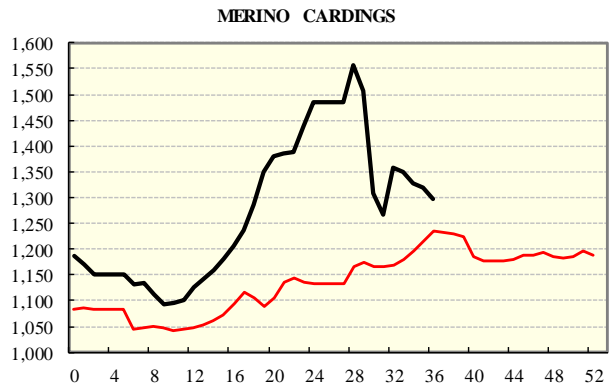
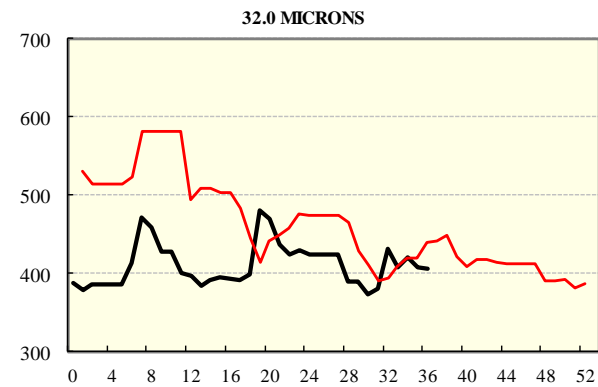
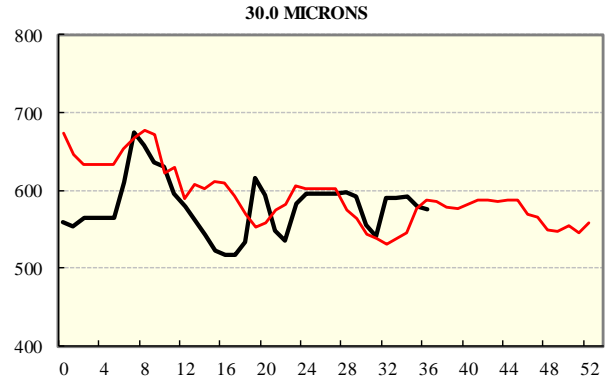
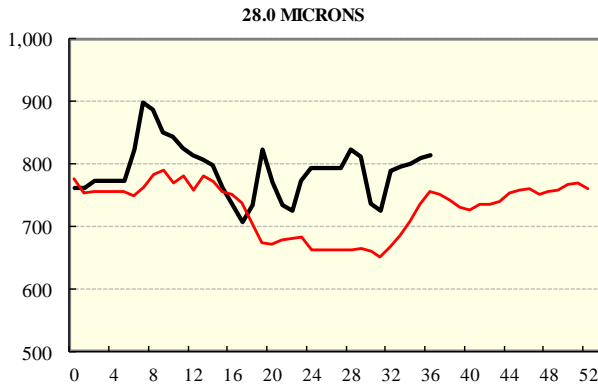
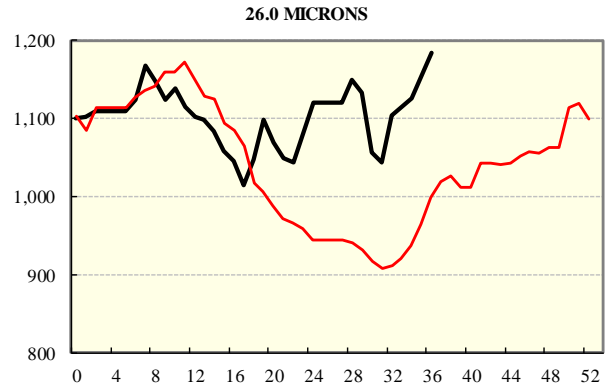
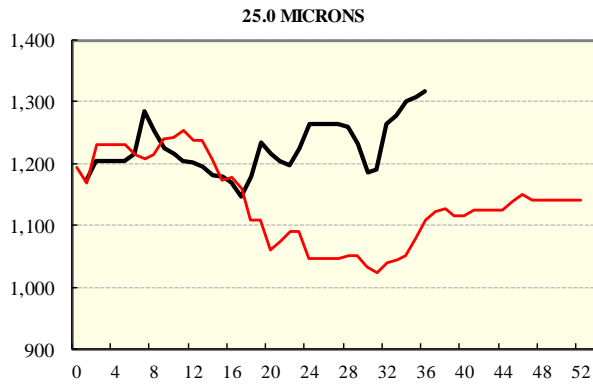
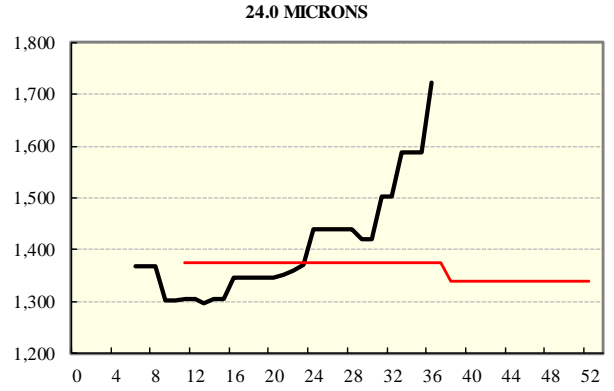
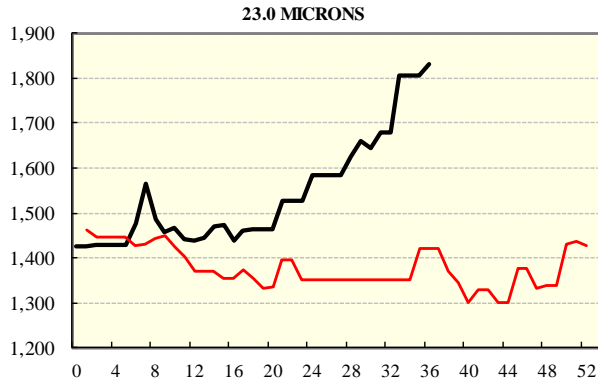
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# AVERAGE AWEX MICRON PRICE GUIDES

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

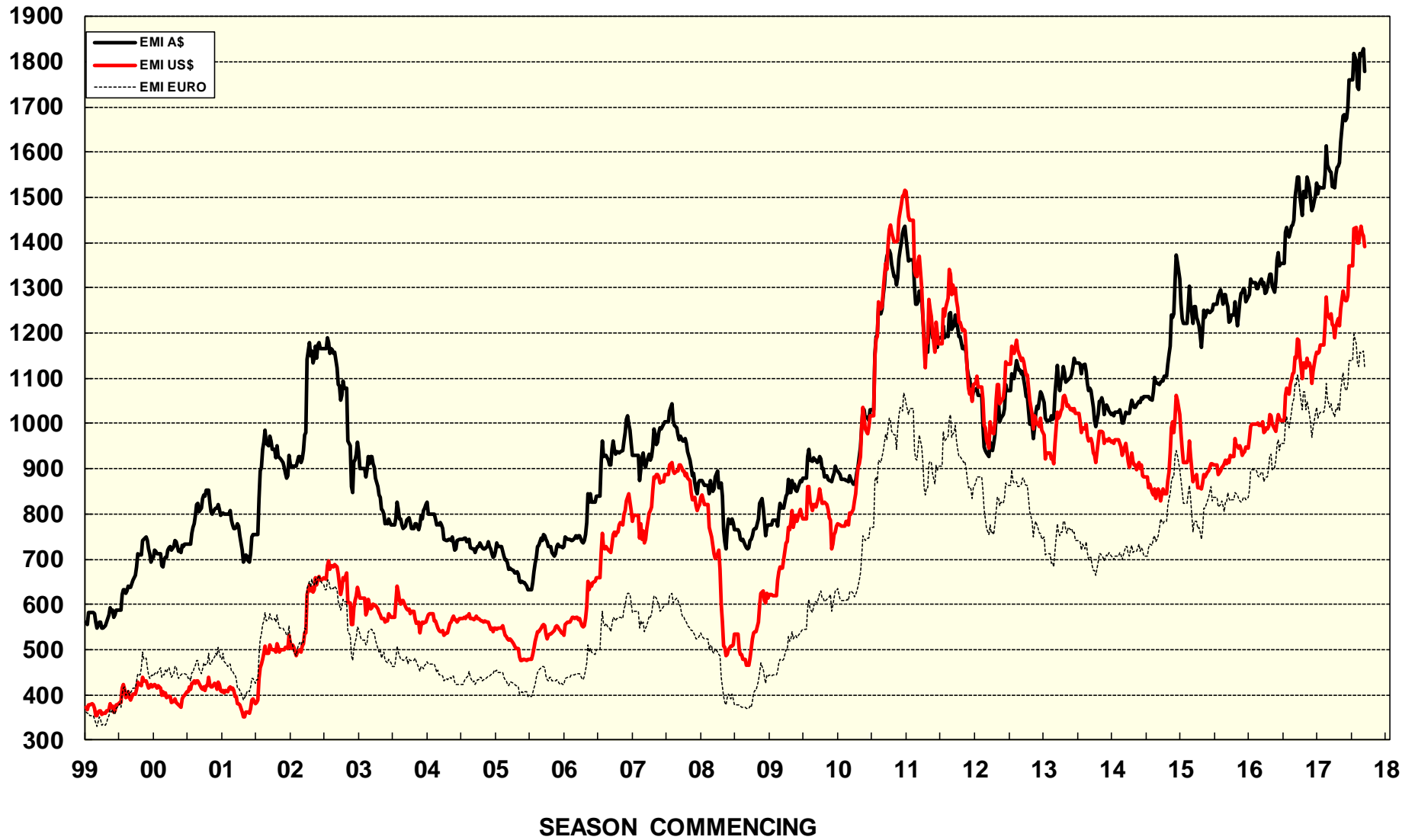


**AVERAGE AWEX MICRON PRICE GUIDES**  
 2017/18( black graph line) and 2016/17 (red graph line)



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

(In Australian, United States and European Currencies)



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