

# AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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## AWIS WOOL MARKET REVIEW Week Ending 10 August 2018 (Week 06)

The AWEX EMI finished 9¢ higher (+0.5%) in Australian currency and 18¢ higher (+1.2%) in US currency this week at the first sale after the mid-year break.

49,415 bales were on offer nationally, compared with 40,544 bales last sale. 4.7% of the offering was passed in.

AWEX reports that the value of the wool sold was \$105.3 million (\$2,237 per bale), taking the season total to \$264.6 million at \$2,179 per bale.

The sale returns of \$105.3 million were the highest ever; and only the second time that \$100 million has been achieved.

Centre	Last Sale		Day-to-Day Changes (Week 06)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	02	1981	-22	+7	+24	+9 (+0.5%)	1990	+18	+23
Northern	02	2013	-18	+11	+21	+14 (+0.7%)	2027	+22	+26
Southern	02	1961	-25	+5	+26	+6 (+0.3%)	1967	+16	+20
Western	02	2129	No Sale	+7	+22	+29 (+1.4%)	2158	+34	+37

It was good start to the new selling season, with widespread competition, the better wools being rewarded and the Merino market lifting as the week progressed. The greatest gains were from 16.5 to 19.0 microns, after which the gains fell away and changed to falls at 21.0 microns. The falls increased as the Diameter increased.

Medium crossbreds fell sharply on Tuesday, before easing on Wednesday and recovering slightly on Thursday. The medium crossbreds were more affected than coarse crossbreds in a reversal of the pattern seen through most of last season.

The US Exchange Rate finished 0.57¢ (0.8%) higher to close at 74.41¢ on Thursday. It has stayed in the “high-73s” to “mid-74’s” during the break.

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

Looking ahead, the expected offerings over the coming three sales currently average around 35,000 bales; and are 13.7% below the same period last year. The combination of the strong close in the current sale and the smaller volumes in the coming weeks seems likely to maintain pressure in the market.

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	212¢	294¢	454¢	632¢	875¢
South	192¢	279¢	451¢	630¢	No 16.5µ MPG

Market Indicator	Changes From			
	Four Sales Ago Week 51	Start of the Season	Week 06 Last Year	Season Average to Week 06 Last Year
Eastern Market Indicator	-83 (-4.0%)	+2 (+0.1%)	+440 (+28.4%)	+456 (+29.8%)
Western Market Indicator	No Sale	+16 (+0.7%)	+552 (+34.4%)	+568 (+36.0%)

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 ¢	+56	+37	+37	+40	+61	+38	+17	+1	-7	-17	-28	
Change %	+1.9%	+1.3%	+1.4%	+1.6%	+2.6%	+1.7%	+0.8%	+0.0%	-0.3%	-0.8%	-1.2%	
Since Start of the Season												
Change ¢	+55	+26	+33	+38	+58	+32	+4	-11	-22	-38	-24	
Change %	+1.8%	+0.9%	+1.3%	+1.6%	+2.5%	+1.4%	+0.2%	-0.5%	-1.0%	-1.7%	-1.1%	
Since Same Week Last Year												
Change ¢	+807	+602	+465	+351	+387	+464	+523	+593	+642	+668	+748	
Change %	+35.8%	+27.1%	+21.3%	+16.5%	+19.4%	+25.1%	+30.1%	+36.0%	+40.7%	+43.8%	+50.6%	

Micron	25.0	26.0	28.0	30.0	32.0	MC#
Since Last Sale						
Change ¢		-89	-65	-23	+3	+20
Change %		-5.8%	-6.9%	-3.4%	+0.7%	+1.4%
Since the Start of the Season						
Change ¢	+481	+329	+230	+147	+56	+306
Change %	+40.5%	+29.7%	+30.0%	+26.3%	+14.6%	+26.3%
Since Same Week Last Year						
Change ¢	+528	+380	+245	+141		+275
Change %	+46.3%	+36.0%	+32.6%	+25.0%		+23.1%

# Average Merino Cardings Price Guide

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## AWIS WOOL MARKET REVIEW Week Ending 10 August 2018 (Week 06)

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 June ABS export data.

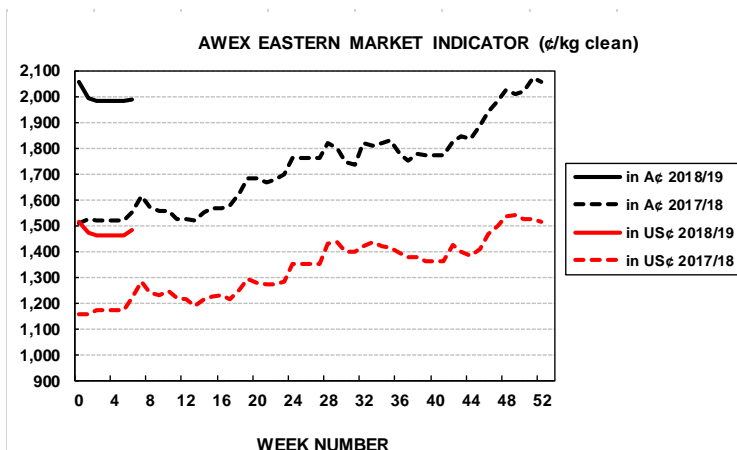
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re- Offered	Bales Sold
North	14,477	17,855	4.9%	2.4%	5.4%	16,975
South	22,018	23,258	4.5%	1.7%	5.4%	22,222
West	4,049	8,302	5.1%	3.7%	13.2%	7,879
<b>Australia</b>	<b>40,544</b>	<b>49,415</b>	<b>4.7%</b>	<b>2.3%</b>	<b>6.7%</b>	<b>47,076</b>

Actual and % Changes in the Progressive Offerings from Last Year	
-3,829	-7.4%
-6,571	-9.2%
-5,724	-21.2%
<b>-16,124</b>	<b>-10.8%</b>

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 07	Week 08	Week 09	Differences
North	13,216	12,000	11,145	<b>-16.3%</b>
South	19,826	21,761	17,730	<b>-3.1%</b>
West	4,248	No Sale	6,600	<b>-39.2%</b>
<b>New Zealand</b>				
<b>Australia</b>	<b>37,290</b>	<b>33,761</b>	<b>35,475</b>	<b>-13.1%</b>
<b>Differences</b>	<b>-4.7%</b>	<b>-10.2%</b>	<b>-22.6%</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	73.84	-0.14	Public	+0.32	+0.25	+0.14	+0.57 (+0.8%)	74.41	73.78	74.41
Euro	63.22	+0.36	Holiday	+0.47	-0.13	+0.16	+0.86 (+1.4%)	64.08	63.09	64.08

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to June	
	June 2018	July to June 2017/18	July to June 2016/19	By Weight	By Value
China	79.3%	79.1%	79.3%	+3.9%	+21.5%
India	9.5%	5.9%	6.1%	+1.2%	+17.9%
Italy	0.7%	4.0%	4.0%	-2.6%	+24.8%
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%
<b>Change all Countries</b>				<b>+10.6%</b>	<b>+20.9%</b>



AVERAGE EMI	
This Year	1988
Last Year	1739
2016/17	1408
2015/16	1254
2014/15	1102

SEASON AVERAGES		
Region	This Year	Diff
North	2022	+210
South	1968	+274
West	2147	+340

THIS YEAR'S EMI	
This Week	1990
First Week	1994
Low (0/01)	1981
High (0/01)	1994

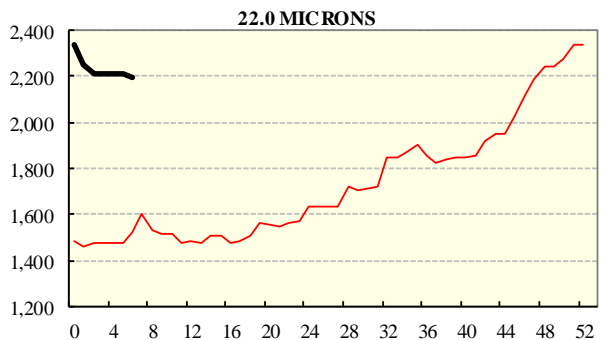
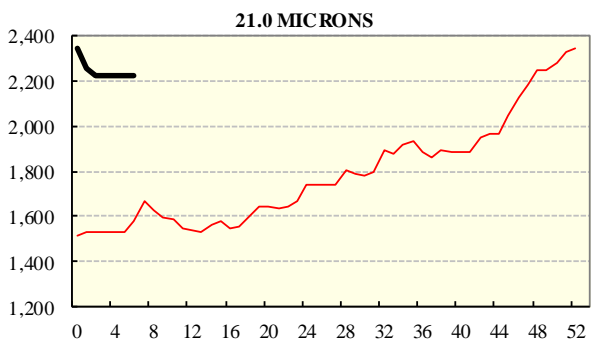
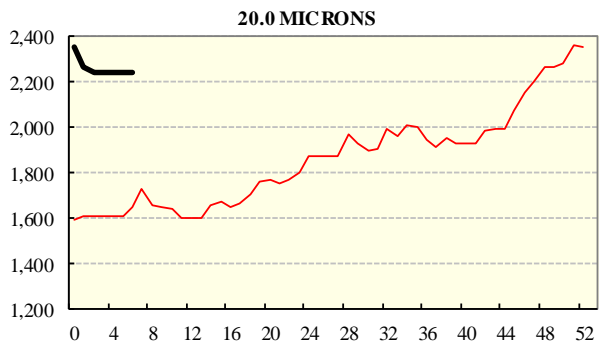
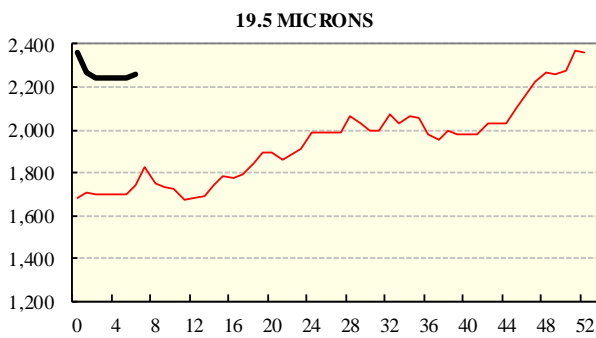
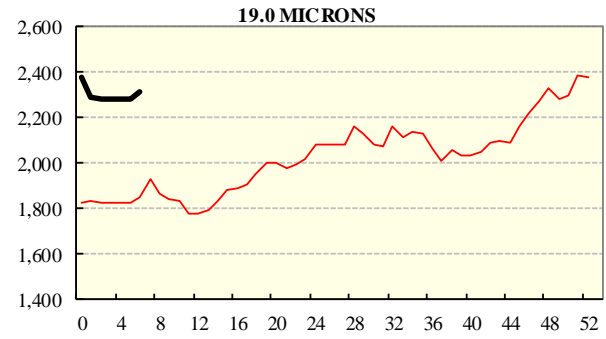
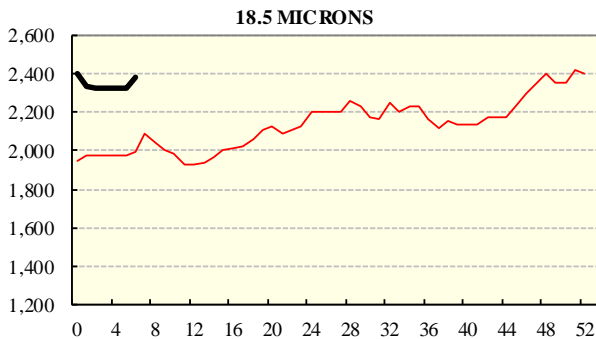
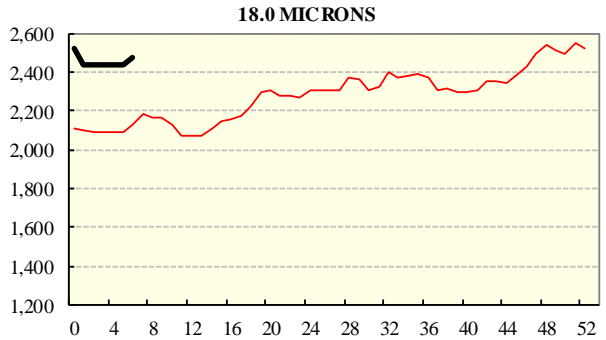
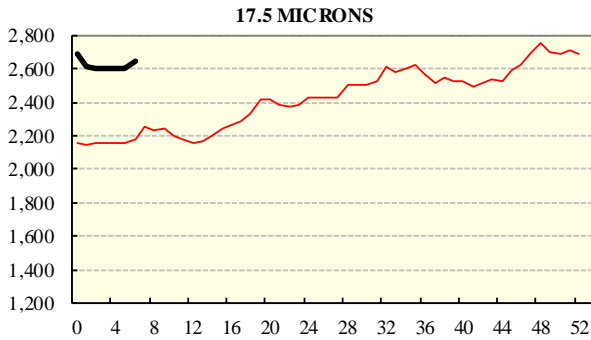
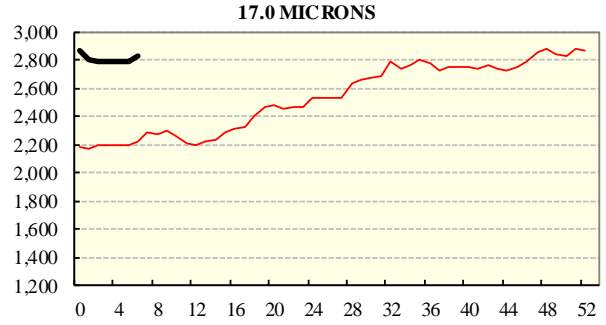
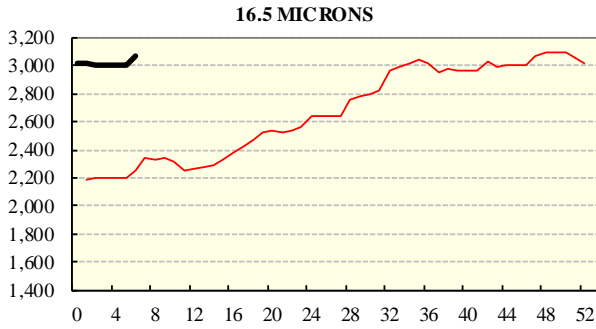
COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	2027	+7
South	1967	-1
West	2158	+16

BALES OFFERED	
This Year	133,839
Last Year	149,963
Difference	-16,124
% Diff	-10.8%
FIRST OFFERED BALES	
Difference	-9.9%
% of Offering	95.1%

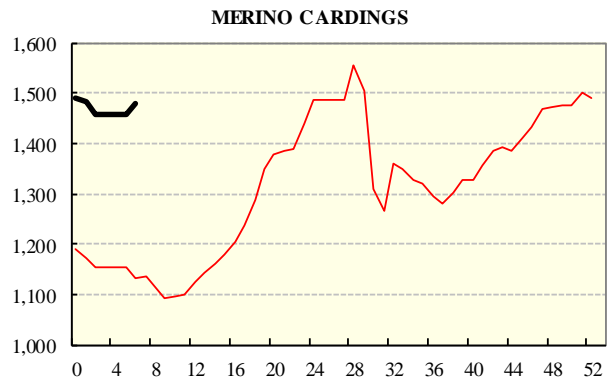
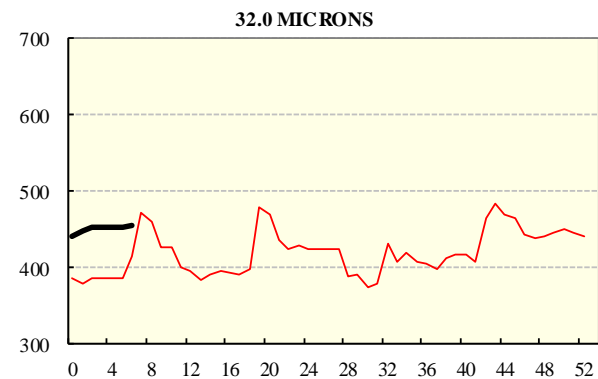
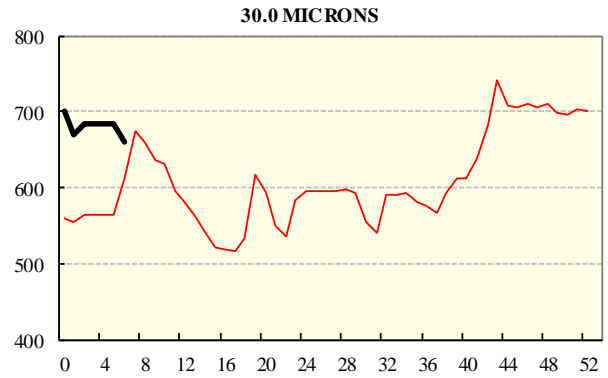
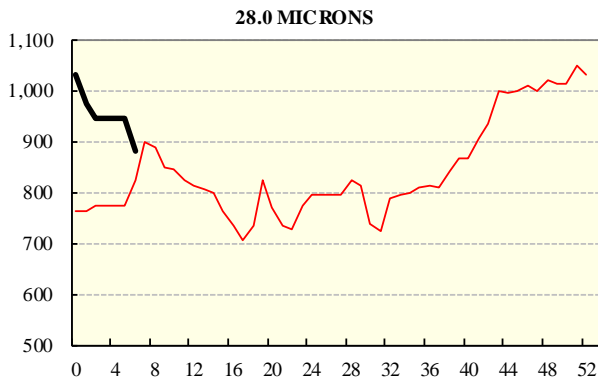
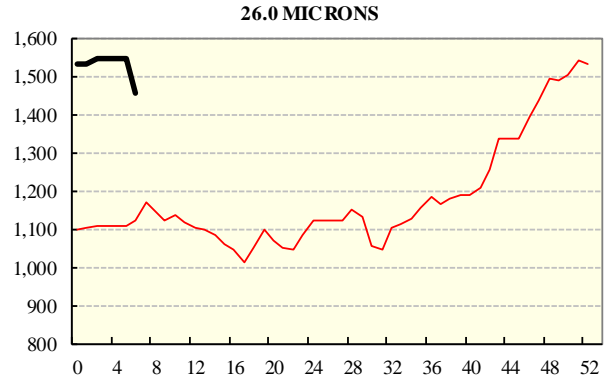
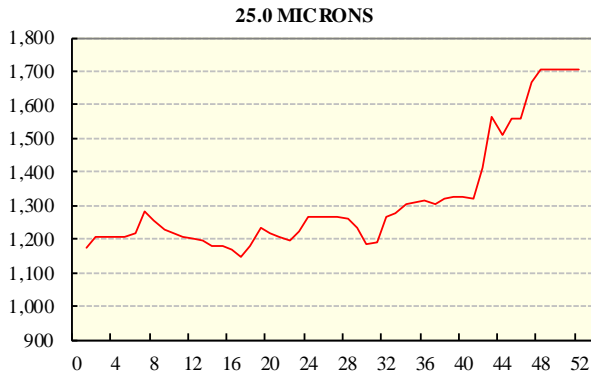
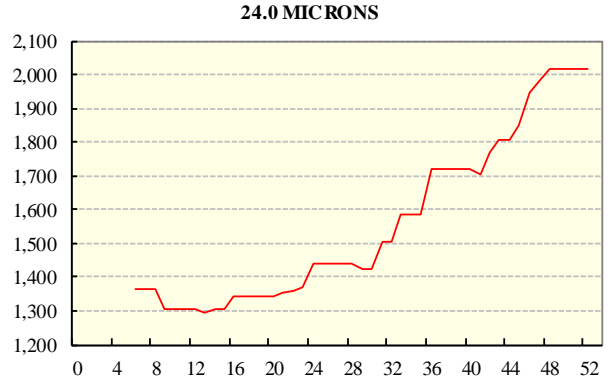
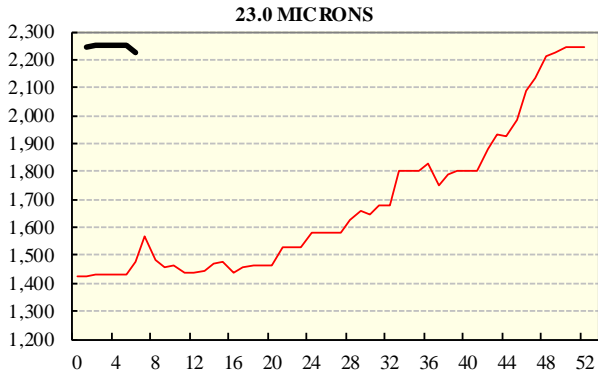
REGION BALES		
This Sale:		
North	17,855	
South	23,258	
West	8,302	
Progressive Totals:		Diff
North	48,062	-7.4%
South	64,492	-9.2%
West	21,285	-21.2%

## AVERAGE AWEX MICRON PRICE GUIDES

2018/19( black graph line) and 2017/18 (red graph line)



## AVERAGE AWEX MICRON PRICE GUIDES 2018/19( black graph line) and 2017/18 (red graph line)



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

(In Australian, United States and European Currencies)

