

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW Week Ending 12 October 2018 (Week 15)

The AWEX EMI finished 31¢ higher (+1.6%) in Australian currency and 20¢ higher (+1.4%) in US currency at sales in Sydney, Melbourne and Fremantle this week.

The rise in the EMI reversed three weeks of falls, thus repeating a mini-cycle that has been seen a number of times since the market started on its continuous upward path at the beginning of last year.

32,072 bales were on offer nationally, compared with 38,317 bales last sale. 7.4% of the offering was passed in.

AWEX reports that the value of the wool sold was \$68.7 million (\$2,312 per bale), taking the season total to \$978.7 million (\$2,379 per bale).

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 15)									
Centre	Last Sale		Day-to-Day Changes (Week 15)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	14	1992	No Sale	+24	+7	+31 (+1.6%)	2023	+20	+7
Northern	14	2050	No Sale	+16	+4	+20 (+1.0%)	2070	+12	0
Southern	14	1956	No Sale	+28	+10	+38 (+1.9%)	1994	+24	+12
Western	14	2132	No Sale	+32	+6	+38 (+1.8%)	2170	+24	+11

The market got away to a strong start on Wednesday, with good rises in both Australia and US Currency that were mostly driven by the medium and broader Merinos. It steadied slightly on Thursday, when the greatest gains were among the medium Merinos.

The greater demand for medium and broader Merinos reflects their relative shortage in the market. The closing average AWEX MPGs for these types were again very close, with only 28¢ covering the closing MPGs for 20, 21 and 22 microns.

Crossbreds were down slightly at the fine end, but were up at 30 and 32 microns. Merino Cardings were down by 7¢.

The US Exchange Rate was reasonably stable during the week, before finishing 0.13¢ (-0.2%) lower, to close at 70.72¢ on Thursday.

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

Looking ahead, offerings for the coming three sales are expected to range from 36,800 bales to 37,700 bales and to be 16.5% less than in the same period last year. The forecast progressive difference to Week 18 is -13.5%.

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	201¢	301¢	397¢	513¢	619¢

Market Indicator	Changes From			
	Four Sales Ago Week 11	Start of the Season	Week 15 Last Year	Season Average to Week 15 Last Year
Eastern Market Indicator	-71 (-3.4%)	+35 (+1.8%)	+457 (+29.2%)	+494 (+31.9%)
Western Market Indicator	-86 (-3.8%)	+28 (+1.3%)	+549 (+33.9%)	+599 (+37.5%)

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 ¢	-7	-5	-1	+15	+15	+37	+47	+51	+65	+96	+56	-22
Change %	-0.2%	-0.2%	0.0%	+0.6%	+0.6%	+1.6%	+2.1%	+2.3%	+3.0%	+4.4%	+2.6%	-1.1%
Since Start of the Season												
Change ¢	-91	+18	+78	+137	+128	+92	+59	+16	-1	+25	-13	-167
Change %	-3.0%	+0.6%	+3.0%	+5.6%	+5.5%	+4.0%	+2.6%	+0.7%	0.0%	+1.1%	-0.6%	-7.9%
Since Same Week Last Year												
Change ¢	+583	+525	+444	+430	+453	+496	+538	+599	+663	+752	+762	
Change %	+25.0%	+22.9%	+19.8%	+20.0%	+22.6%	+26.4%	+30.2%	+35.9%	+42.0%	+50.0%	+51.7%	

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 ¢	-8	-20	-9	+25	+7	-7
Change %	-0.5%	-1.4%	-1.0%	+3.5%	+1.4%	-0.5%
Since the Start of the Season						
Change ¢	+481	+329	+230	+147	+56	+103
Change %	+40.5%	+29.7%	+30.0%	+26.3%	+14.6%	+7.0%
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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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.

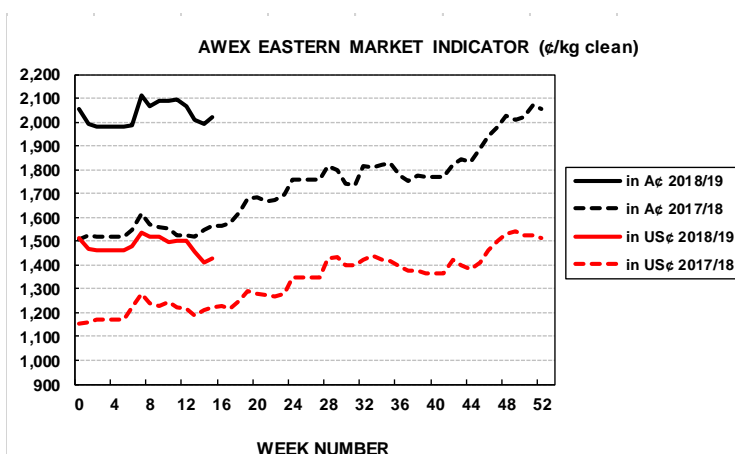
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re- Offered	Bales Sold
North	10,207	8,723	7.0%	2.2%	4.9%	8,111
South	21,124	15,869	5.7%	3.1%	4.7%	14,958
West	6,986	7,480	11.2%	5.1%	9.8%	6,640
Australia	38,317	32,072	7.4%	3.3%	5.9%	29,709

Actual and % Changes in the Progressive Offerings from Last Year	
-23,613	-14.4%
-28,355	-10.9%
-13,018	-14.7%
-64,986	-12.7%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 16	Week 17	Week 18	Differences
North	8,741	9,815	8,881	-24.2%
South	20,771	19,286	21,090	-13.7%
West	8,152	7,700	7,600	-13.7%
New Zealand		1,200		
Australia	37,664	36,801	37,571	-16.5%
Differences	-17.7%	-14.2%	-17.5%	

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	70.85	-0.20	-0.06	+0.31	+0.28	-0.46	-0.13 (-0.2%)	70.72	70.72	74.41
Euro	61.74	-0.30	-0.13	+0.35	+0.20	-0.69	-0.57 (-0.9%)	61.17	61.17	64.08

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to August	
	August 2018	July to August 2018/19	July to August 2017/18	By Weight	By Value
China	78.5%	75.5%	74.7%	-19.8%	+11.1%
India	5.4%	7.2%	7.2%	-21.4%	-2.5%
Italy	4.5%	6.1%	5.2%	-7.6%	+10.3%
Czech Republic	3.8%	3.9%	5.9%	-47.8%	-16.2%
Korea	2.6%	2.1%	1.4%	+17.4%	+45.4%
Malaysia	0.9%	1.1%	1.6%	-47.4%	-39.4%
Egypt	0.8%	1.0%	1.0%	-19.8%	-2.3%
Taiwan	0.6%	0.9%	0.6%	+16.7%	+97.1%
Change all Countries				-20.7%	+8.2%



AVERAGE EMI	
This Year	2043
Last Year	1739
2016/17	1408
2015/16	1254
2014/15	1102

SEASON AVERAGES		
Region	This Year	Diff
North	2095	+283
South	2011	+317
West	2196	+388

THIS YEAR'S EMI	
This Week	2023
First Week	1994
Low (0/01)	1981
High (0/01)	2116

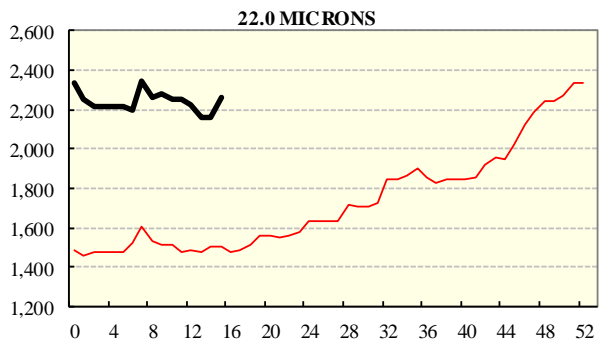
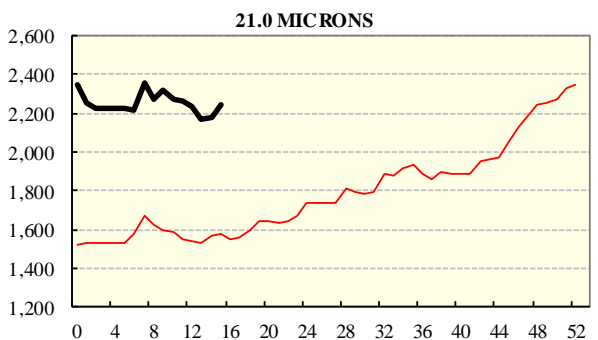
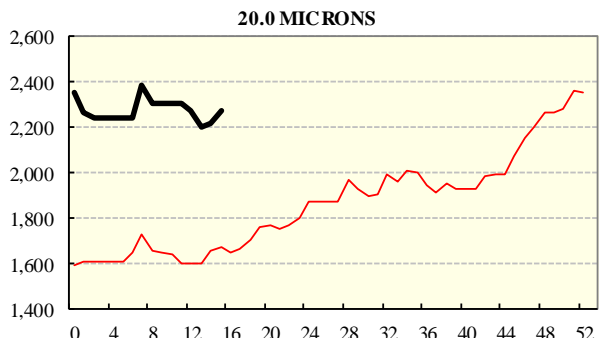
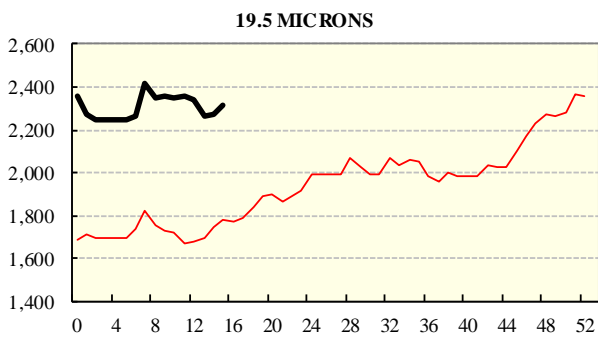
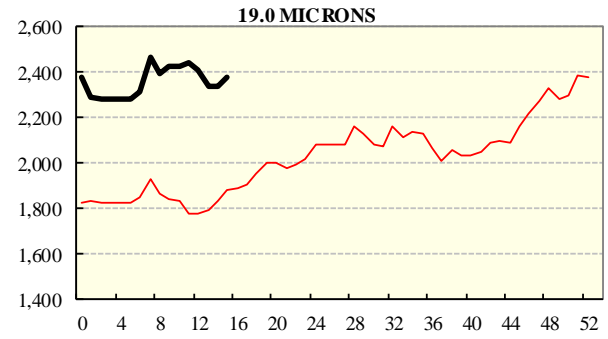
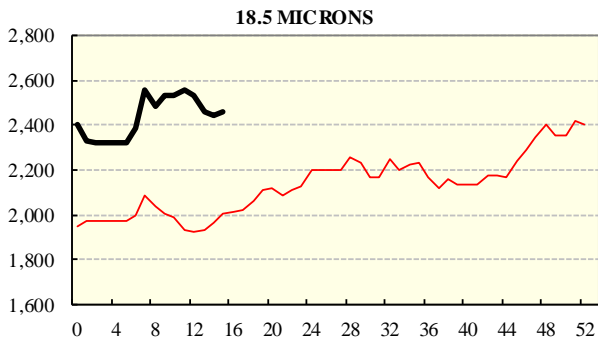
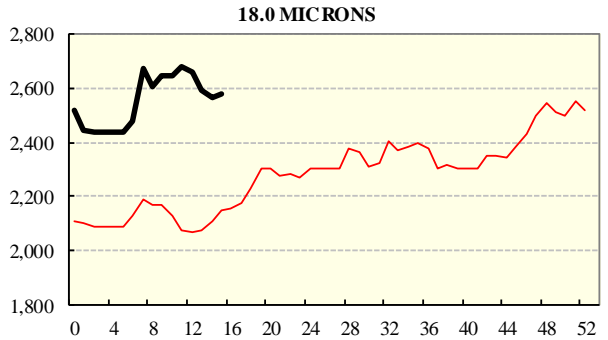
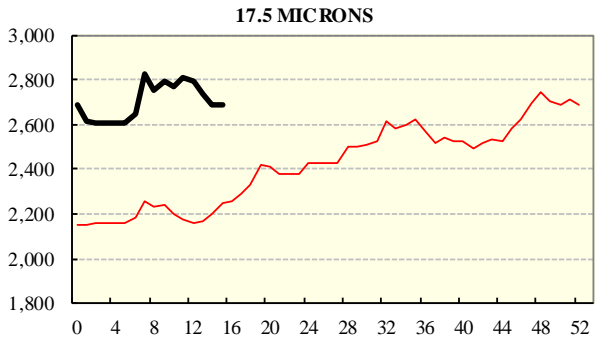
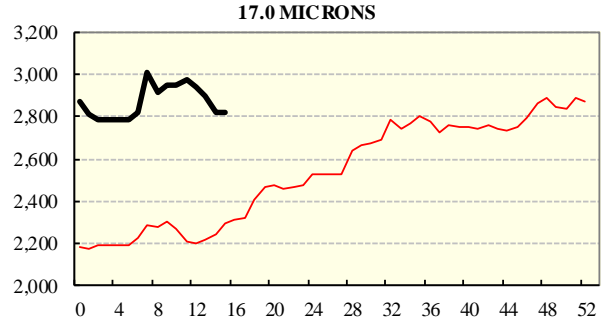
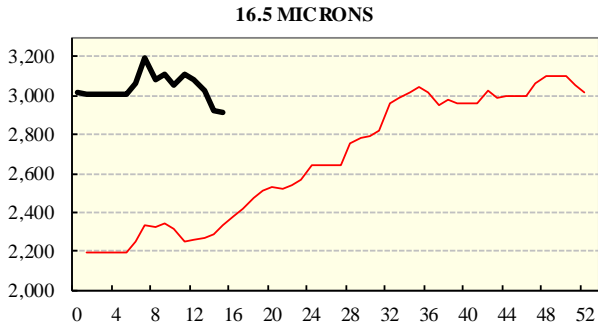
COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	2070	+50
South	1994	+26
West	2170	+28

BALES OFFERED	
This Year	446,518
Last Year	511,504
Difference	-64,986
% Diff	-12.7%
FIRST OFFERED BALES	
Difference	-11.8%
% of Offering	95.8%

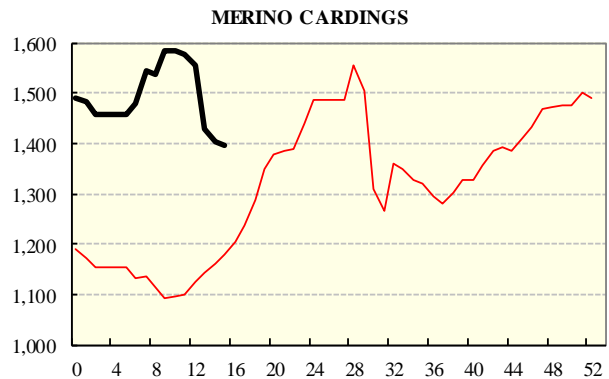
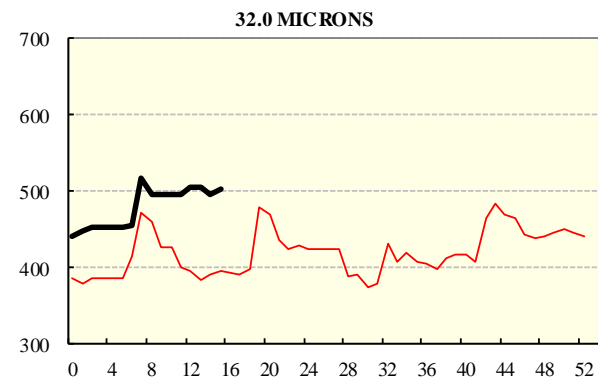
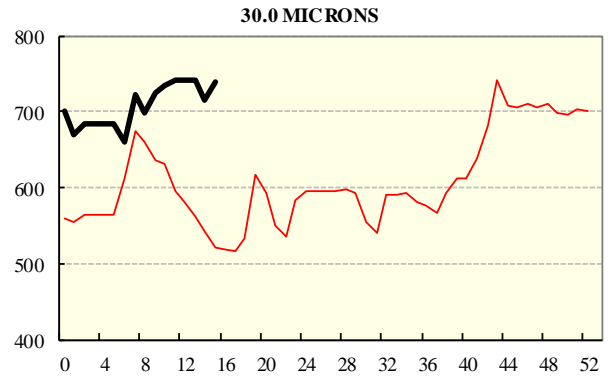
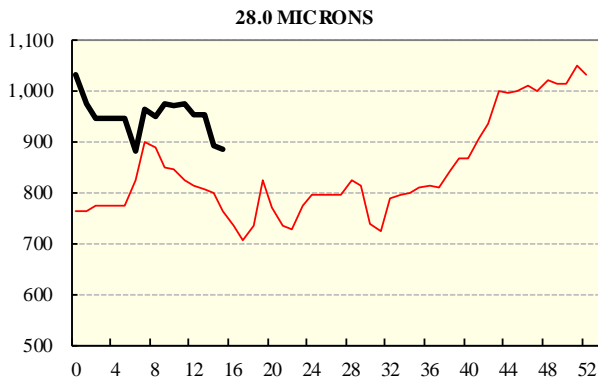
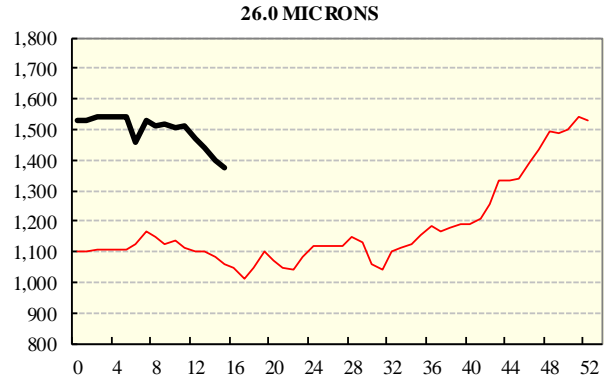
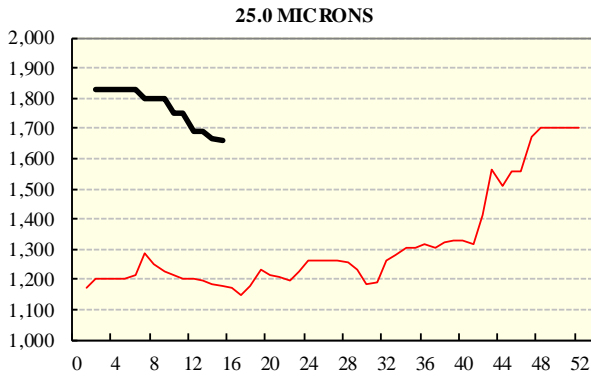
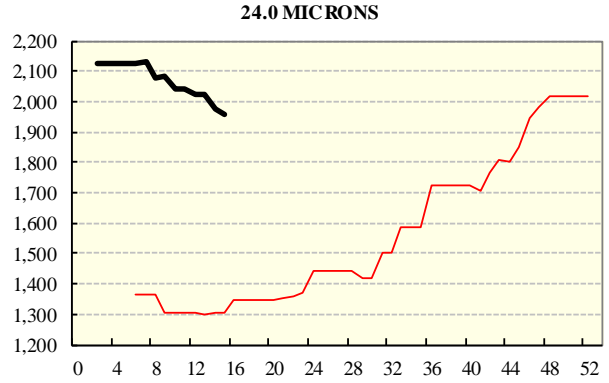
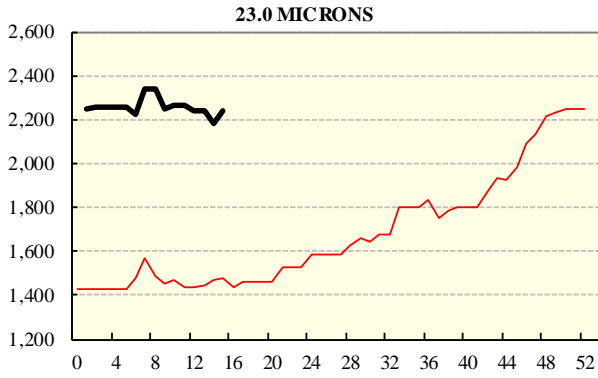
REGION BALES		
This Sale:		
North	8,723	
South	15,869	
West	7,480	
Progressive Totals:		Diff
North	140,520	-14.4%
South	230,713	-10.9%
West	75,285	-14.7%

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)

