

# AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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## AWIS WOOL MARKET REVIEW

Week Ending 17 May 2019 (Week 46)

The AWEX EMI finished at 1893¢, 59¢ lower (-3.0%) in Australian currency and 53¢ lower (-3.9%) in US currency at sales in Sydney, Melbourne and Fremantle this week.

33,156 bales were on offer nationally, compared with 32,801 bales last sale. 21.7% of the offering was passed in.

AWEX reports that the value of the wool sold was \$51.9 million (\$1,999 per bale), taking the season total to \$2.942 billion (\$2,163 per bale).

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 46)									
Centre	Last Sale		Day-to-Day Changes (Week 46)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	45	1952	No Sale	-24	-35	-59 (-3.0%)	1893	-53	-48
Northern	45	1989	No Sale	-22	-30	-52 (-2.6%)	1937	-49	-44
Southern	45	1927	No Sale	-24	-39	-63 (-3.3%)	1864	-55	-51
Western	45	2062	No Sale	-45	-22	-67 (-3.2%)	1995	-59	-54

A lack of strong competition in a difficult market for orders saw prices fall sharply in both currencies on both days.

The fall of 59¢ in the EMI in A\$ was the largest since the 78¢ fall in the first week of November. Not surprisingly, the Pass-In Rate moved up to 21.7%, including 40% on both days in the West. All types (including the Crossbreds, which have done so well this year) and all micron ranges were affected.

It is difficult to be certain of all the factors involved in the fall in the market; but increases in global economic uncertainty, such as that associated with the escalation of the US/China trade war and of the rising tensions between the US and Iran, are invariably unhelpful to commodity prices.

The US Exchange Rate finished 0.62¢ (-0.9%) lower to close at 69.14¢ on Thursday.

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

The South African Cape Wools Indicator was down by 2.5% since last week against a 0.8% appreciation of the Rand against the US Dollar and a 0.7% appreciation against the Euro. This was the first sale since the announcement of the lifting of the ban on exports to China.

Looking ahead, offerings for the coming three sales are expected to range from 21,928 bales to 32,610 bales and to be 8.3% less than in the same period last year. The forecast progressive difference to Week 49 is -12.1%.

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	59¢	122¢	124¢	125¢	139¢

Market Indicator	Changes From			
	Four Sales Ago Week 41	Start of the Season	Week 46 Last Year	Season Average to Week 46 Last Year
Eastern Market Indicator	-43 (-2.2%)	-95 (-4.8%)	-50 (-2.6%)	+263 (+15.5%)
Western Market Indicator	-69 (-3.3%)	-147 (-6.9%)	-85 (-4.1%)	+338 (+19.1%)

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 ¢	-73	-62	-54	-48	-58	-65	-71	-64	-49	-58		
Change %	-3.0%	-2.6%	-2.2%	-2.0%	-2.5%	-2.9%	-3.1%	-2.8%	-2.2%	-2.6%		
Since Start of the Season												
Change ¢	-622	-438	-261	-109	-78	-71	-72	-70	-60	-55		
Change %	-20.7%	-15.7%	-10.0%	-4.5%	-3.4%	-3.1%	-3.2%	-3.1%	-2.7%	-2.5%		
Since Same Week Last Year												
Change ¢		-433	-271	-100	-43	-1	+18	+34	+53	+59		
Change %		-15.5%	-10.3%	-4.1%	-1.9%	0.0%	+0.8%	+1.6%	+2.5%	+2.8%		

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 ¢		-91	-143	-24	-33	-44
Change %		-6.0%	-10.8%	-2.4%	-5.0%	-4.0%
Since Start of the Season						
Change ¢		-110	+219	+300	+180	-422
Change %		-7.1%	+22.8%	+44.3%	+39.9%	-28.7%
Since Same Week Last Year						
Change ¢		+41	+170	+268	+187	-385
Change %		+2.9%	+16.9%	+37.8%	+42.1%	-26.9%

# Average Merino Cardings Price Guide

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## AWIS WOOL MARKET REVIEW Week Ending 17 May 2019 (Week 46)

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 March ABS export data.

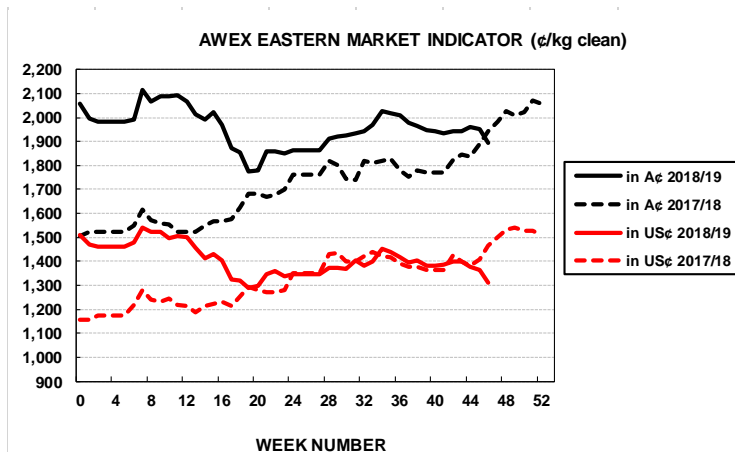
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re-Offered	Bales Sold
North	8,005	8,434	16.4%	2.7%	7.3%	7,055
South	18,367	18,302	17.5%	3.1%	8.4%	15,097
West	6,429	6,420	40.6%	3.5%	14.6%	3,816
<b>Australia</b>	<b>32,801</b>	<b>33,156</b>	<b>21.7%</b>	<b>3.1%</b>	<b>9.3%</b>	<b>25,968</b>

Progressive Changes from Last Year		
All Bales		1 <sup>st</sup> Time Bales
Bales	%	%
-82,770	-17.2%	-18.2%
-103,392	-11.5%	-13.0%
-25,005	-7.4%	-11.3%
<b>-211,167</b>	<b>-12.3%</b>	<b>-14.1%</b>

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 47	Week 48	Week 49	Differences
North	7,100	7,980	7,530	-27.9%
South	14,032	18,230	14,398	-1.4%
West	4,505	6,400	No Sale	+24.2%
<b>New Zealand</b>				
<b>Australia</b>	<b>25,637</b>	<b>32,610</b>	<b>21,928</b>	<b>80,175</b>
<b>Differences</b>	<b>-14.7%</b>	<b>+7.1%</b>	<b>-18.6%</b>	<b>-8.3%</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	69.76	+0.19	-0.19	-0.21	-0.23	-0.18	-0.62 (-0.9%)	69.14	69.14	74.41
Euro	62.30	0.00	-0.18	-0.23	-0.06	-0.15	-0.62 (-1.0%)	61.68	61.17	64.24

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to March	
	March 2019	July to March 2018/19	July to March 2017/20	By Weight	By Value
China	81.4%	76.4%	78.9%	-16.5%	-1.0%
India	5.9%	6.1%	5.3%	-1.3%	+16.9%
Italy	3.0%	5.3%	4.5%	+1.6%	+13.3%
Czech Republic	3.0%	3.9%	5.3%	-35.9%	-21.2%
Korea	2.0%	2.5%	1.0%	+59.1%	+84.5%
Malaysia	0.3%	0.7%	1.0%	-41.4%	-34.0%
Egypt	0.8%	1.0%	1.0%	-19.8%	-2.3%
Taiwan	0.6%	0.9%	0.6%	+16.7%	+97.1%
<b>Change all Countries</b>				<b>-20.7%</b>	<b>+8.2%</b>



AVERAGE EMI	
This Year	1958
Last Year	1739
2016/17	1408
2015/16	1254
2014/15	1102

SEASON AVERAGES		
Region	This Year	Diff
North	2004	+192
South	1930	+236
West	2106	+298

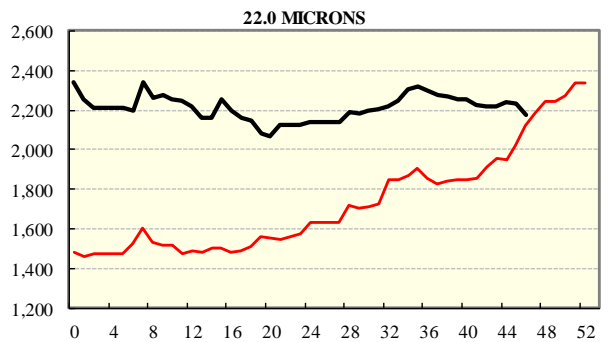
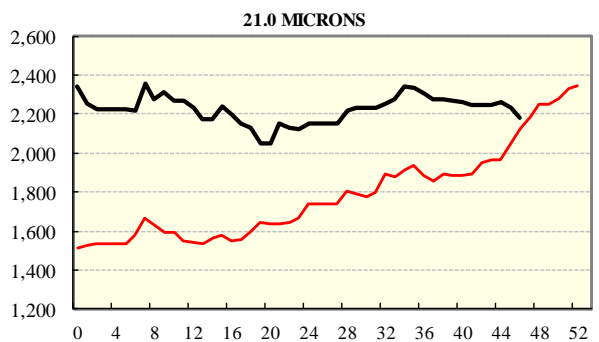
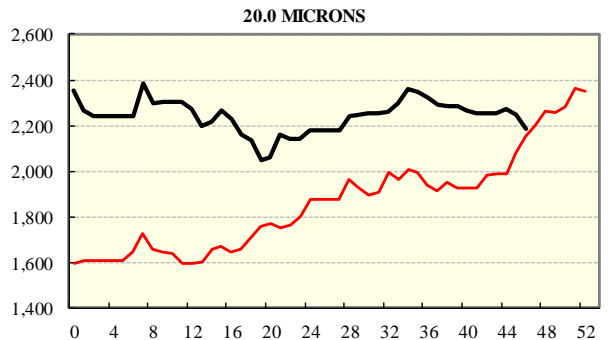
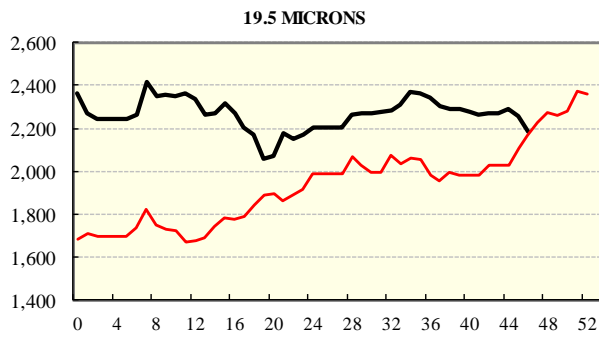
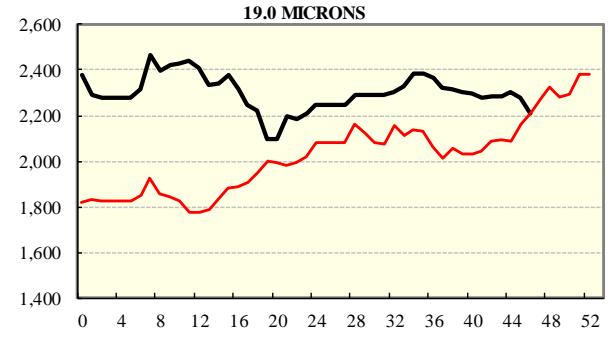
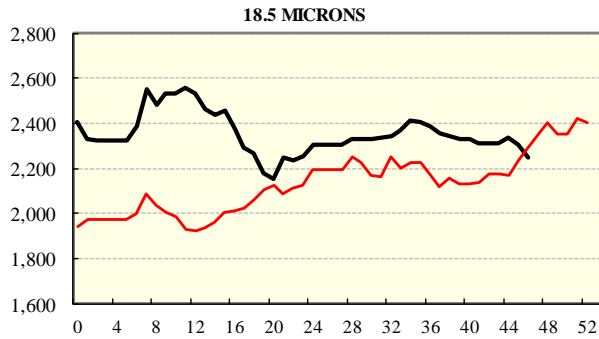
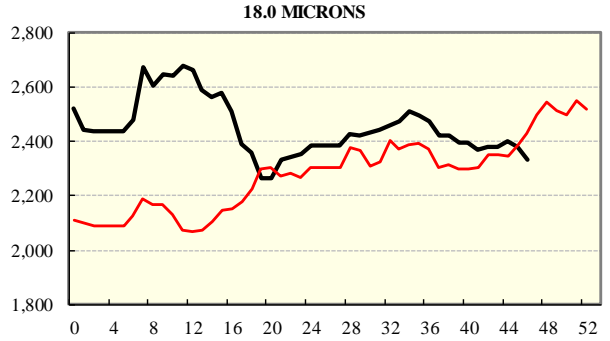
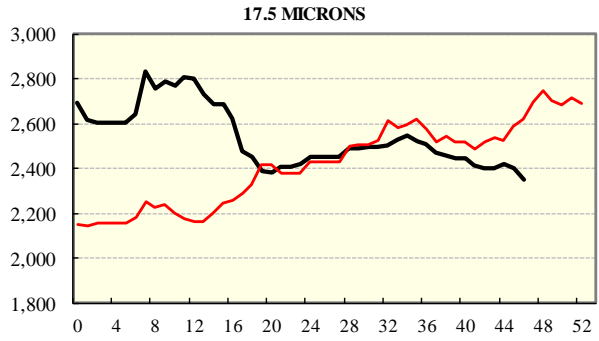
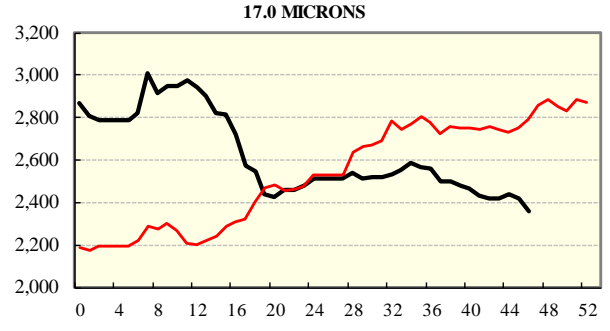
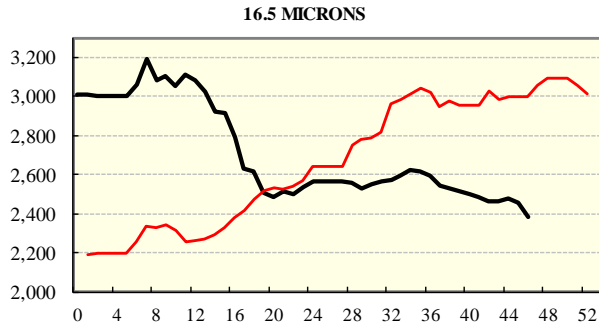
THIS YEAR'S EMI	
This Week	1893
First Week	1994
Low (0/01)	1776
High (0/01)	2116

COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1937	-83
South	1864	-104
West	1995	-147

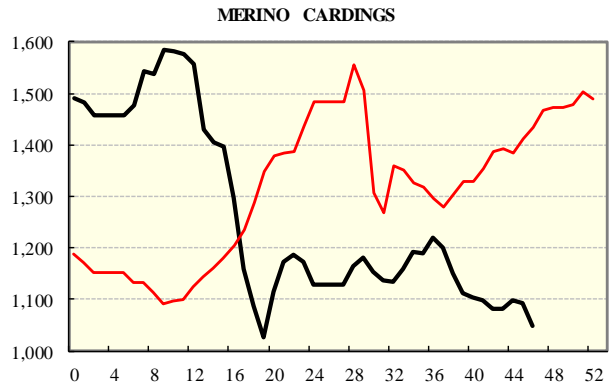
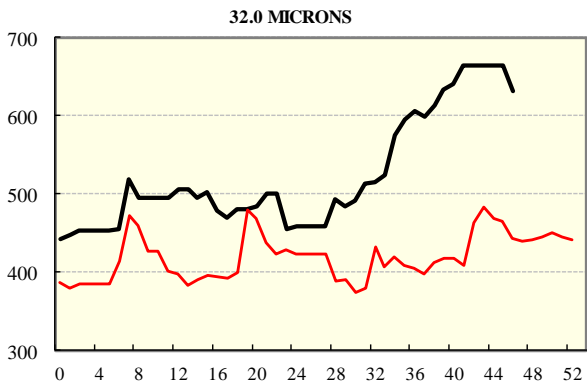
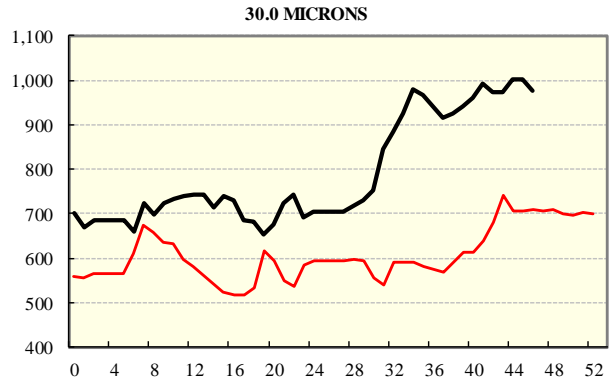
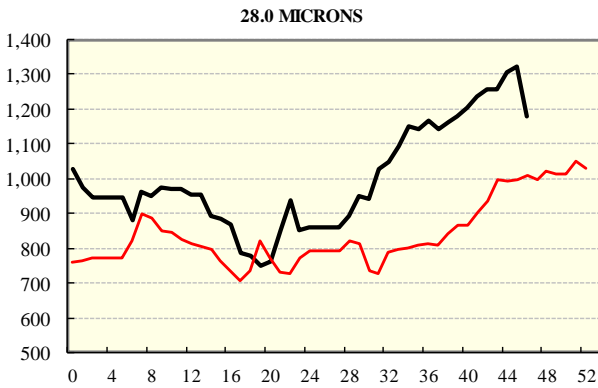
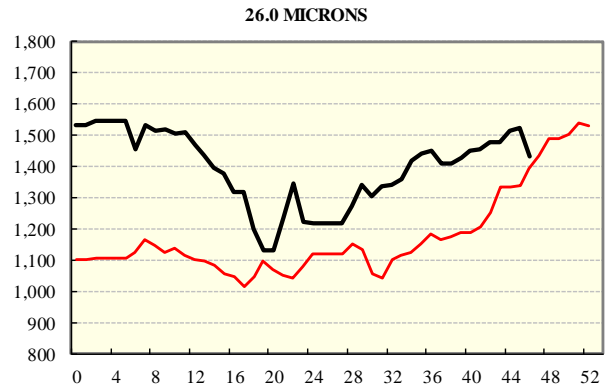
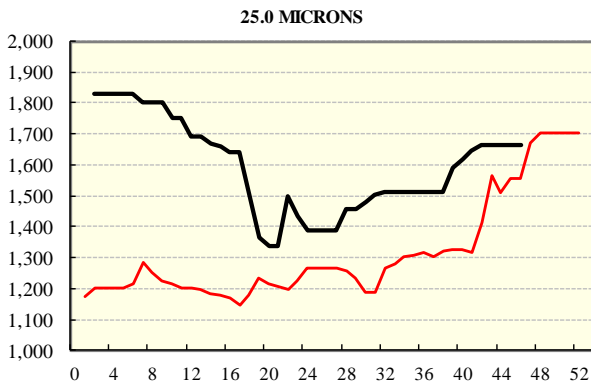
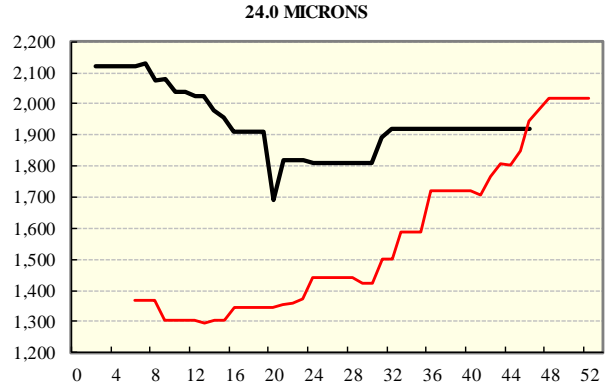
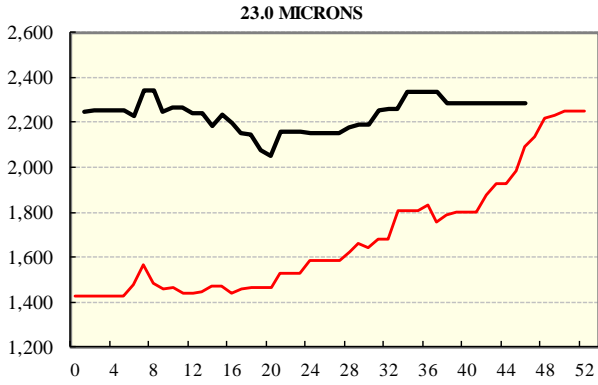
BALES OFFERED	
This Year	1,507,379
Last Year	1,718,546
Difference	-211,167
% Diff	-12.3%
FIRST OFFERED BALES	
Difference	-14.1%
% of Offering	93.6%

REGION BALES		
This Sale:		Diff
North	8,434	
South	18,302	
West	6,420	
Progressive Totals:		Diff
North	397,375	-17.2%
South	797,950	-11.5%
West	312,054	-7.4%

**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)

