

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW Week Ending 19 October 2018 (Week 16)

The AWEX EMI finished at 1970¢, 53¢ lower (-2.6%) in Australian currency and 26¢ lower (-1.8%) in US currency at sales in Sydney, Melbourne and Fremantle this week.

Reports from other commodity markets indicate that wool was not alone in coming under pressure during the week.

36,084 bales were on offer nationally, compared with 32,072 bales last sale. 19.4% of the offering was passed in.

AWEX reports that the value of the wool sold was \$68.0 million (\$2,339 per bale), taking the season total to \$1.0 billion (\$2,372 per bale).

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 16)									
Centre	Last Sale		Day-to-Day Changes (Week 16)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	15	2023	No Sale	-32	-21	-53 (-2.6%)	1970	-26	-15
Northern	15	2070	No Sale	-24	-25	-49 (-2.4%)	2021	-23	-13
Southern	15	1994	No Sale	-38	-18	-56 (-2.8%)	1938	-28	-18
Western	15	2170	No Sale	-34	-42	-76 (-3.5%)	2094	-42	-29

There were falls across all micron ranges and wool types that reflected recent reports of difficulties in trading. The falls were greatest at the fine end of the Merinos, at the coarse end of the crossbreds and among the oddments. Falls among the Merinos became smaller as the diameter increased; and were least for the medium and broad types.

The average AWEX Merino Cardings Price Guide moved down by 100¢ (-7.2%) in the largest price movement of the week. Merino skirtings followed the fleece types.

The US Exchange Rate finished 0.59¢ (0.8%) higher to close at 71.31¢ 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 remain under 40,000, ranging from 34,900 bales to 38,700 bales and to be 15.1% less than in the same period last year. The forecast progressive difference to Week 19 is -13.7%.

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	171¢	287¢	396¢	497¢	560¢

Market Indicator	Changes From			
	Four Sales Ago Week 12	Start of the Season	Week 16 Last Year	Season Average to Week 16 Last Year
Eastern Market Indicator	-97 (-4.7%)	-18 (-0.9%)	+402 (+25.6%)	+487 (+31.4%)
Western Market Indicator	-128 (-5.8%)	-48 (-2.2%)	+480 (+29.7%)	+589 (+36.9%)

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 ¢	-121	-94	-67	-68	-82	-62	-50	-38	-43	-59	-40	-45
Change %	-4.1%	-3.3%	-2.5%	-2.6%	-3.3%	-2.6%	-2.2%	-1.7%	-1.9%	-2.6%	-1.8%	-2.3%
Since Start of the Season												
Change ¢	-212	-76	+11	+69	+46	+30	+9	-22	-44	-34	-53	-212
Change %	-7.1%	-2.7%	+0.4%	+2.8%	+2.0%	+1.3%	+0.4%	-1.0%	-2.0%	-1.5%	-2.4%	-10.0%
Since Same Week Last Year												
Change ¢	+416	+411	+362	+357	+363	+426	+494	+584	+652	+719	+759	+566
Change %	+17.5%	+17.8%	+16.0%	+16.6%	+18.1%	+22.6%	+27.8%	+35.5%	+42.2%	+48.6%	+52.8%	+42.1%

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 ¢	-19	-58	-14	-10	-25	-100
Change %	-1.1%	-4.2%	-1.6%	-1.4%	-5.0%	-7.2%
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.

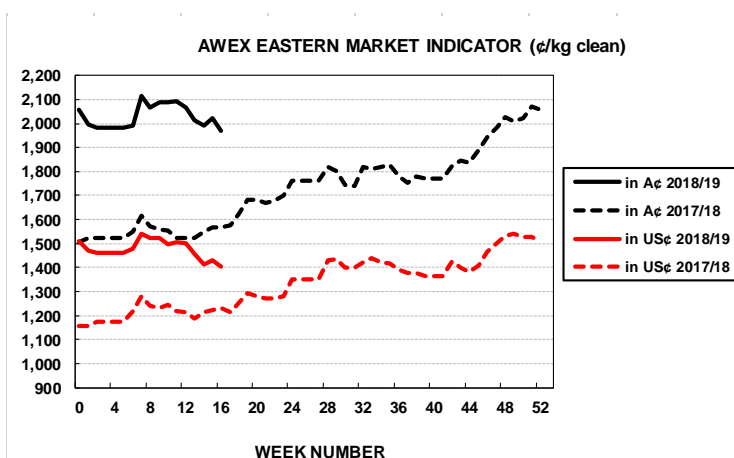
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re- Offered	Bales Sold
North	8,723	8,342	14.6%	3.4%	6.5%	7,126
South	15,869	20,229	19.5%	2.4%	5.2%	16,289
West	7,480	7,513	24.7%	6.4%	10.4%	5,656
Australia	32,072	36,084	19.4%	3.5%	6.6%	29,071

Actual and % Changes in the Progressive Offerings from Last Year	
-28,082	-15.9%
-31,852	-11.3%
-14,760	-15.1%
-74,694	-13.4%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 17	Week 18	Week 19	Differences
North	8,842	9,081	9,515	-21.6%
South	22,627	21,875	17,976	-9.0%
West	7,233	7,400	7,400	-21.8%
New Zealand	1,220	600		
Australia	38,702	38,356	34,891	111,949
Differences	-9.7%	-15.8%	-19.7%	-15.1%

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	70.72	+0.51	-0.15	+0.14	+0.14	-0.05	+0.59 (+0.8%)	71.31	70.72	74.41
Euro	61.17	+0.20	+0.17	0.00	+0.20	+0.27	+0.84 (+1.4%)	62.01	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	2037
Last Year	1739
2016/17	1408
2015/16	1254
2014/15	1102

SEASON AVERAGES		
Region	This Year	Diff
North	2089	+277
South	2005	+312
West	2187	+380

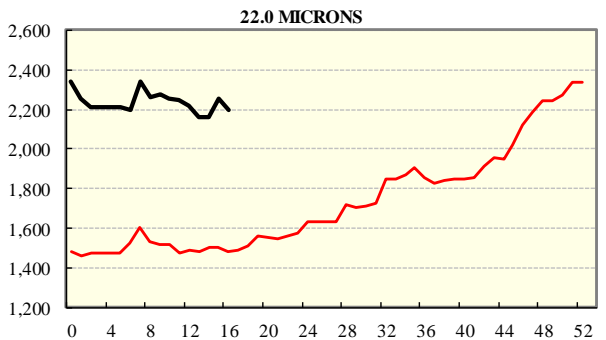
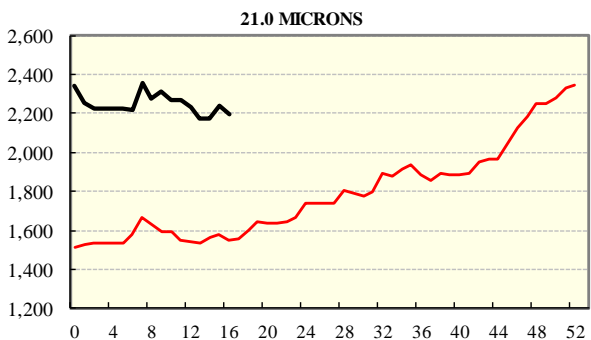
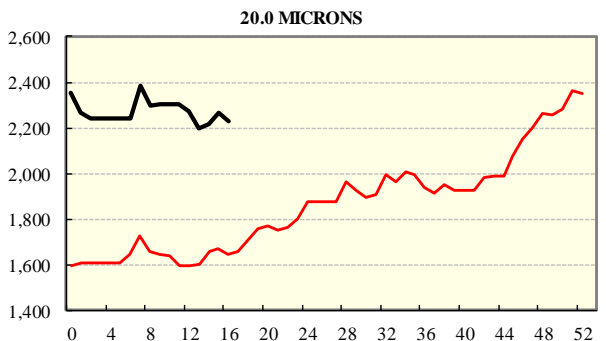
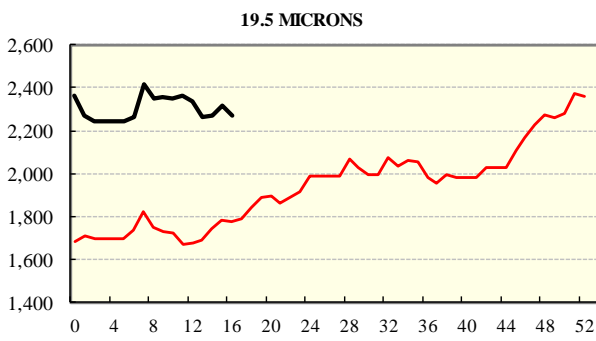
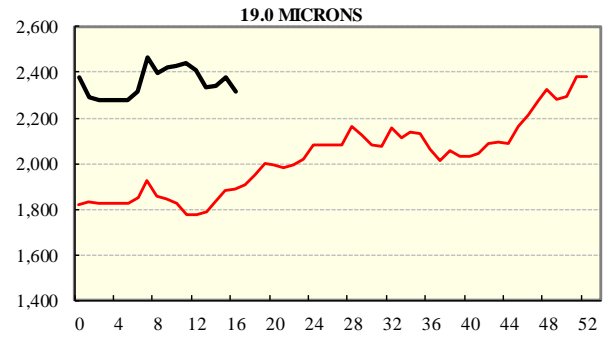
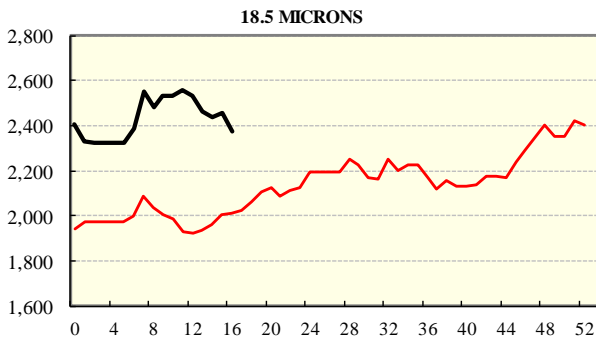
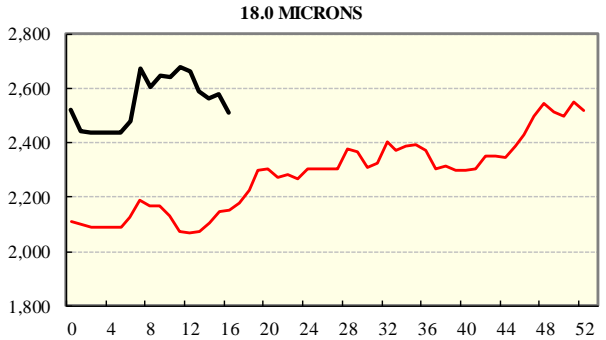
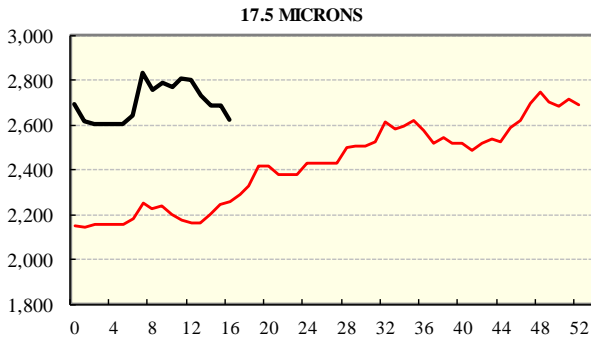
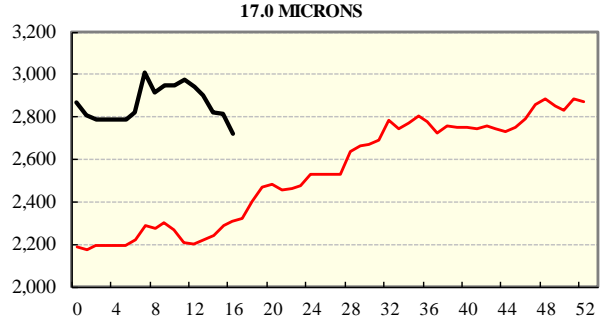
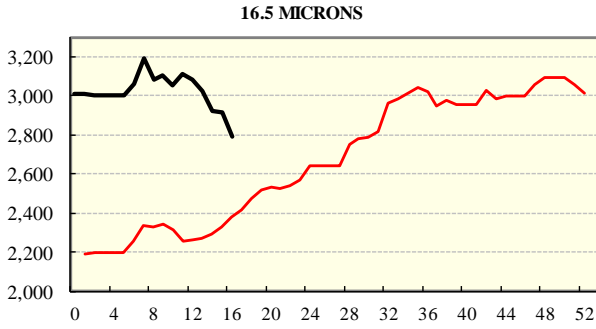
THIS YEAR'S EMI	
This Week	1970
First Week	1994
Low (0/01)	1970
High (0/01)	2116

COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	2021	+1
South	1938	-30
West	2094	-48

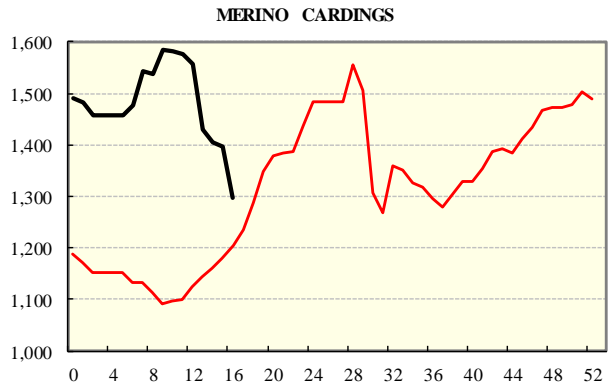
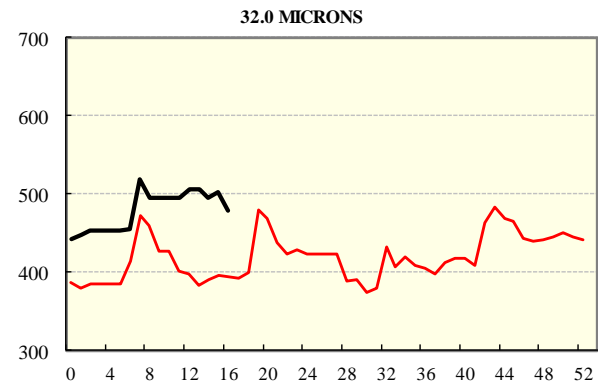
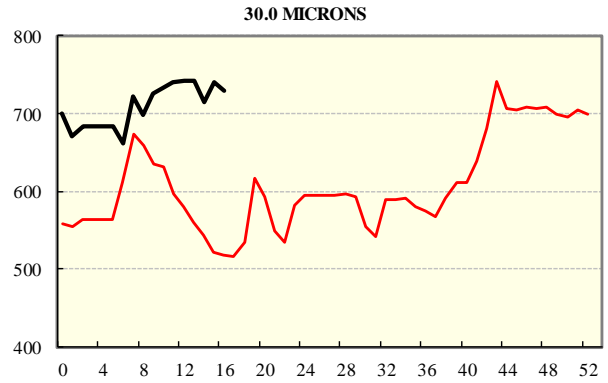
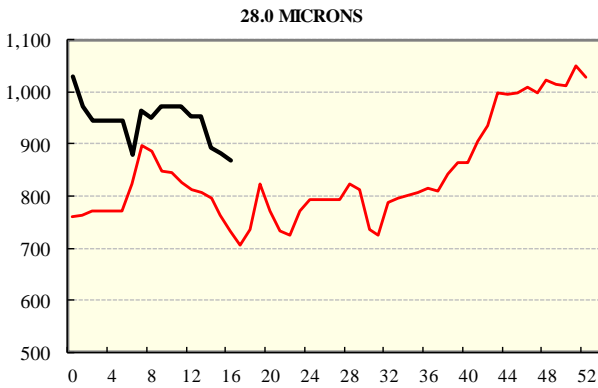
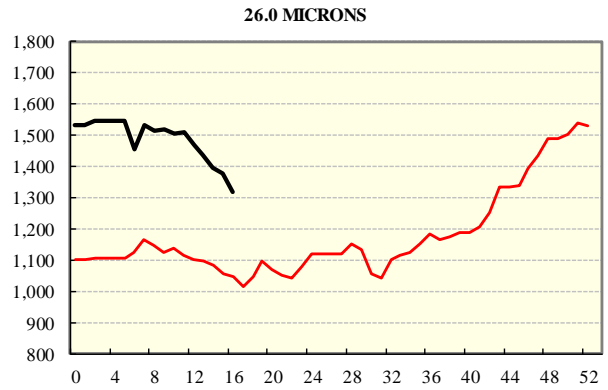
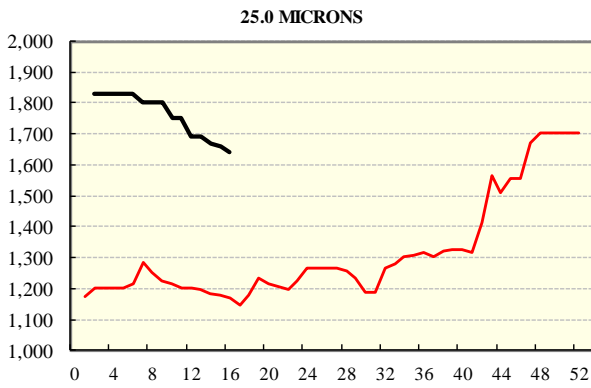
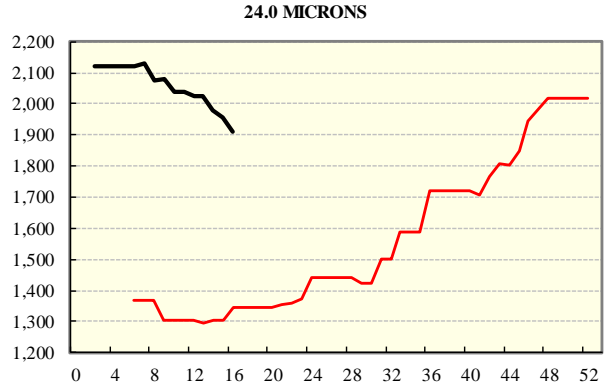
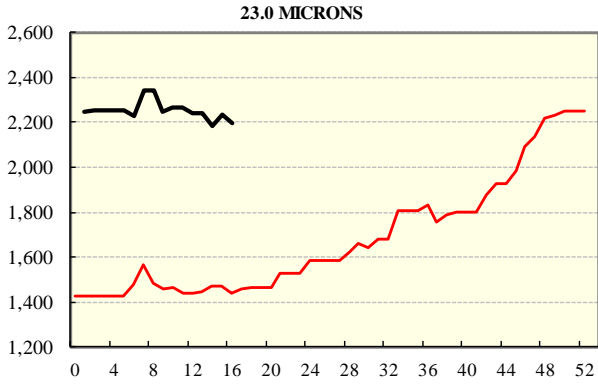
BALES OFFERED	
This Year	482,602
Last Year	557,296
Difference	-74,694
% Diff	-13.4%
FIRST OFFERED BALES	
Difference	-12.7%
% of Offering	95.6%

REGION BALES		
This Sale:		
North	8,342	
South	20,229	
West	7,513	
Progressive Totals:		Diff
North	148,862	-15.9%
South	250,942	-11.3%
West	82,798	-15.1%

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)

