

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW

Week Ending 24 May 2019 (Week 47)

The AWEX EMI finished at 1833¢, 60¢ lower (-3.2%) in Australian currency and 49¢ lower (-3.7%) in US currency at sales in Sydney, Melbourne and Fremantle this week. The offering was again dominated by a large proportion of lesser type wools.

24,121 bales were on offer nationally, compared with 33,156 bales last sale. 28.2% of the offering was passed in, while another 8.4% was withdrawn prior to sale.

It was both the smallest sale and the highest Pass-In Rate of the season.

AWEX reports that the value of the wool sold was \$32.7 million (\$1,889 per bale), taking the season total to \$2.975 billion (\$2,163 per bale).

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 47)									
Centre	Last Sale		Day-to-Day Changes (Week 47)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	46	1893	No Sale	-52	-8	-60 (-3.2%)	1833	-49	-38
Northern	46	1937	No Sale	-57	-11	-68 (-3.5%)	1869	-54	-42
Southern	46	1864	No Sale	-48	-6	-54 (-2.9%)	1810	-44	-34
Western	46	1995	No Sale	-58	No Sale	-58 (-2.9%)	1937	-47	-36

The market continued its downward movement on Wednesday before settling to some extent on Thursday. While the EMI has fallen by 119¢ in the last two weeks, it is still 57¢ above the lowest value recorded earlier this season.

Not surprisingly, all types and micron ranges were affected, with the crossbreds being most affected after their good run earlier in the season

The US Exchange Rate finished 0.38¢ (-0.5%) lower to close at 68.76¢ on Thursday. The further fall was probably influenced by strong speculation that the Reserve Bank of Australia will make a downward movement in the official interest rate when it meets at the beginning of next month.

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

The 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 in South Africa. The ban on exports to China is still in place.

Looking ahead, offerings for the coming three sales are expected to range from 20,949 bales to 31,680 bales and to be 1.5% less than in the same period last year. The forecast progressive difference to Week 50 is -11.9%.

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	38¢	109¢	116¢	117¢	130¢

Market Indicator	Four Sales Ago Week 42	Changes From			Season Average to Week 47 Last Year
		Start of the Season	Week 47 Last Year	Week 47 Last Year	
Eastern Market Indicator	-110 (-5.7%)	-155 (-7.8%)	-150 (-7.6%)	+253 (+14.9%)	
Western Market Indicator	-128 (-6.2%)	-205 (-9.6%)	-182 (-8.6%)	+324 (+18.2%)	

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 ¢	-51	-46	-49	-53	-64	-70	-42	-42	-62	-46		
Change %	-2.1%	-1.9%	-2.1%	-2.3%	-2.8%	-3.2%	-1.9%	-1.9%	-2.8%	-2.1%		
Since Start of the Season												
Change ¢	-673	-484	-310	-162	-142	-141	-114	-112	-122	-101	-212	
Change %	-22.4%	-17.3%	-11.9%	-6.6%	-6.1%	-6.2%	-5.0%	-5.0%	-5.4%	-4.5%	-9.4%	
Since Same Week Last Year												
Change ¢	-726	-547	-394	-219	-158	-133	-84	-57	-64	-54	-97	
Change %	-23.7%	-19.1%	-14.6%	-8.8%	-6.7%	-5.8%	-3.8%	-2.6%	-2.9%	-2.5%	-4.5%	

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 ¢			-109	-93	-53	-20
Change %			-9.3%	-9.5%	-8.4%	-1.9%
Since Start of the Season						
Change ¢			+110	+207	+127	-442
Change %			+11.5%	+30.6%	+28.2%	-30.1%
Since Same Week Last Year						
Change ¢			+72	+178	+139	-440
Change %			+7.2%	+25.2%	+31.7%	-30.0%

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 March ABS export data.

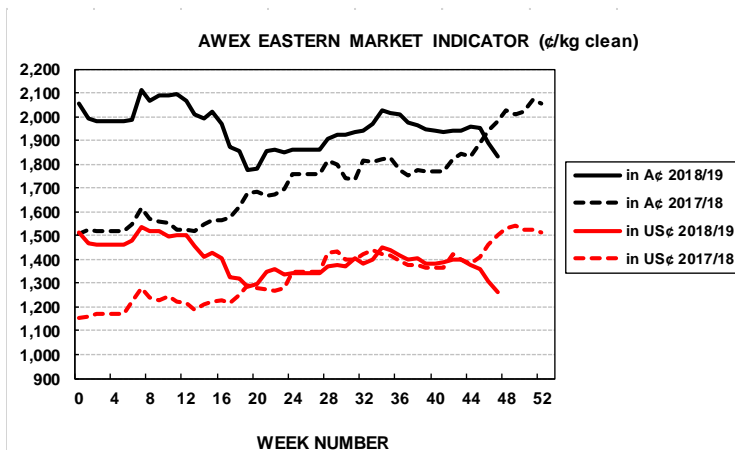
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re-Offered	Bales Sold
North	8,434	6,900	26.6%	3.3%	8.0%	5,066
South	18,302	12,833	22.1%	8.0%	11.7%	9,992
West	6,420	4,388	48.7%	9.4%	19.2%	2,250
Australia	33,156	24,121	28.2%	7.0%	12.0%	17,308

Progressive Changes from Last Year		
All Bales		1 st Time Bales
Bales	%	%
-85,229	-17.4%	-18.4%
-106,612	-11.6%	-13.3%
-25,258	-7.4%	-11.4%
-217,099	-12.4%	-14.4%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 48	Week 49	Week 50	Differences
North	8,984	7,740	8,330	-24.0%
South	17,696	13,209	16,350	+6.9%
West	4,784	No Sale	7,000	+42.8%
New Zealand				
Australia	31,464	20,949	31,680	84,093
Differences	+3.4%	-22.2%	+13.0%	-1.5%

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	69.14	-0.33	+0.39	-0.42	-0.03	+0.01	-0.38 (-0.5%)	68.76	68.76	74.41
Euro	61.68	-0.09	+0.46	-0.38	-0.02	+0.02	-0.01 (0.0%)	61.67	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%
Change all Countries				-20.7%	+8.2%



AVERAGE EMI	
This Year	1955
Last Year	1739
2016/17	1408
2015/16	1254
2014/15	1102

SEASON AVERAGES		
Region	This Year	Diff
North	2000	+188
South	1927	+233
West	2101	+294

THIS YEAR'S EMI	
This Week	1833
First Week	1994
Low (0/01)	1776
High (0/01)	2116

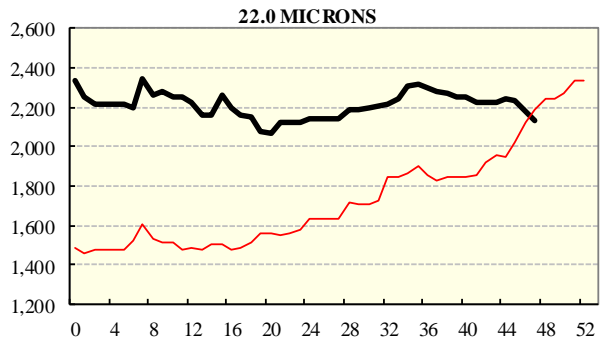
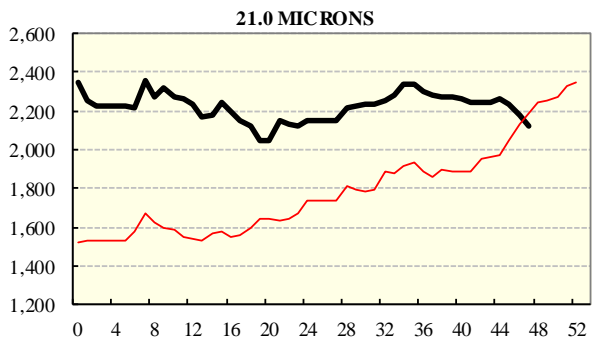
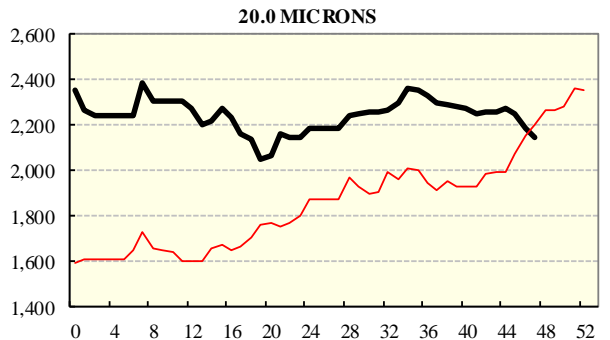
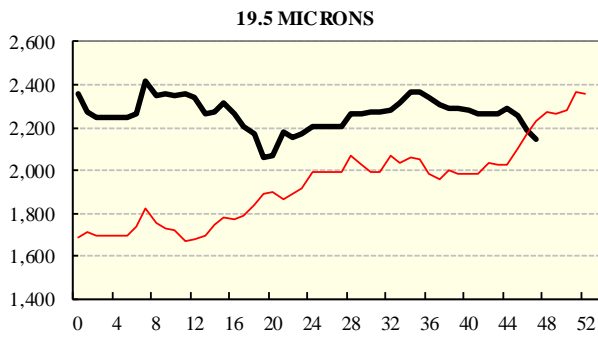
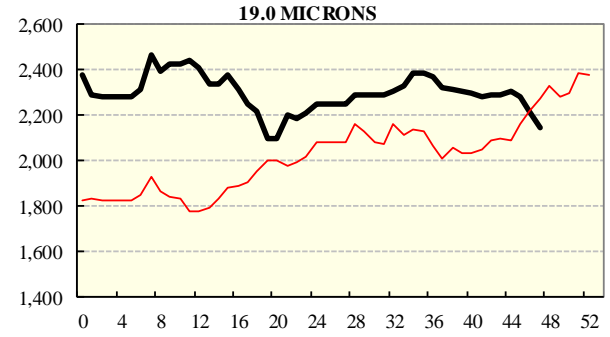
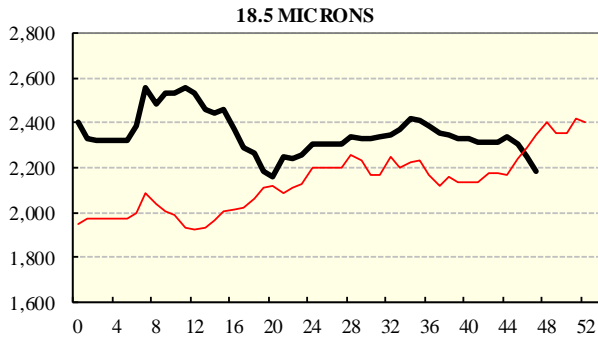
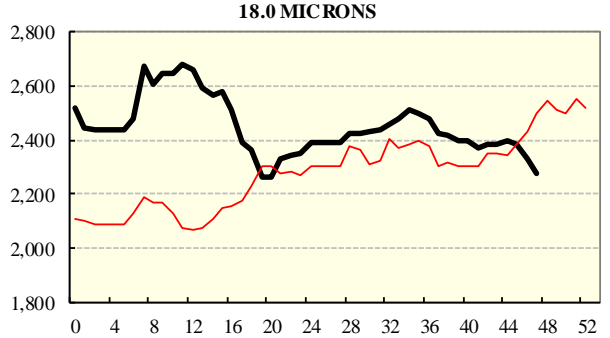
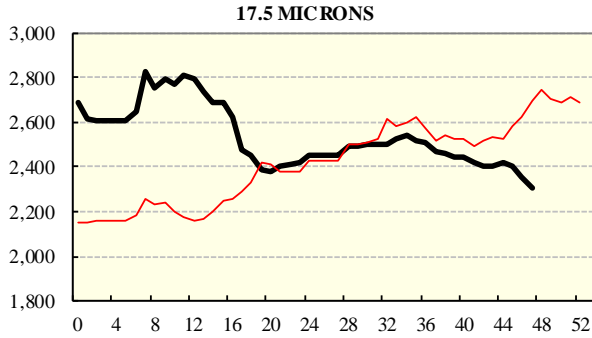
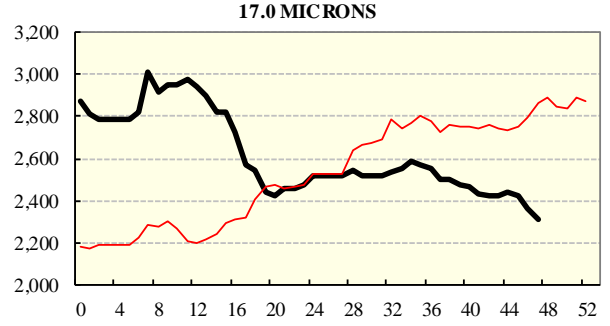
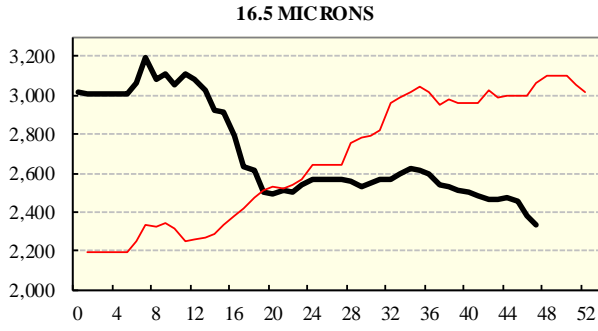
COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1869	-151
South	1810	-158
West	1937	-205

BALES OFFERED	
This Year	1,531,500
Last Year	1,748,599
Difference	-217,099
% Diff	-12.4%
FIRST OFFERED BALES	
Difference	-14.4%
% of Offering	93.5%

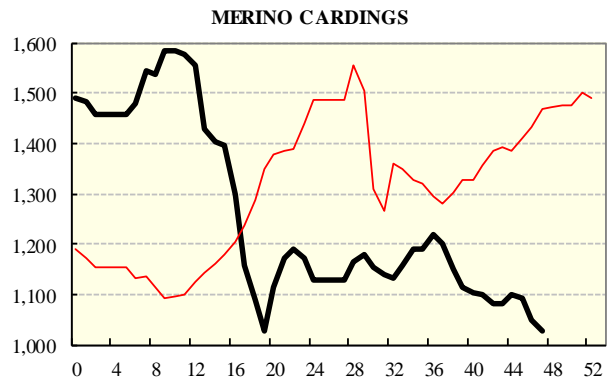
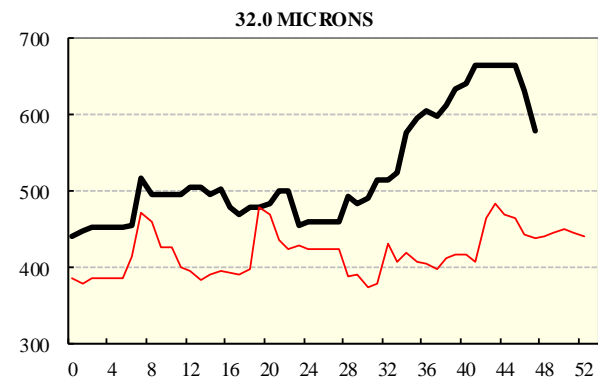
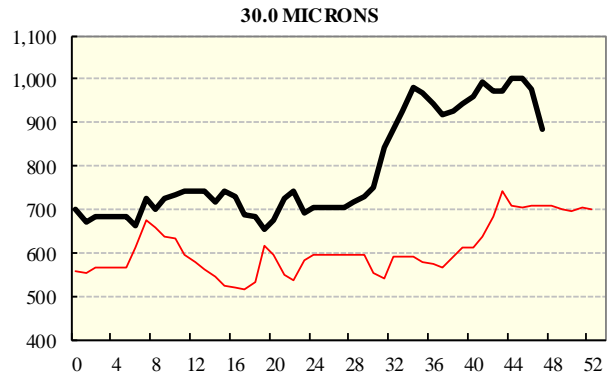
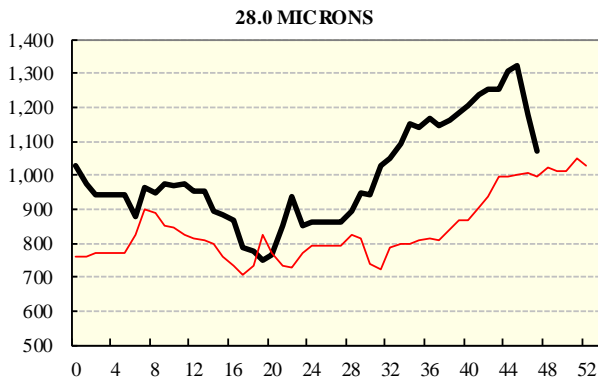
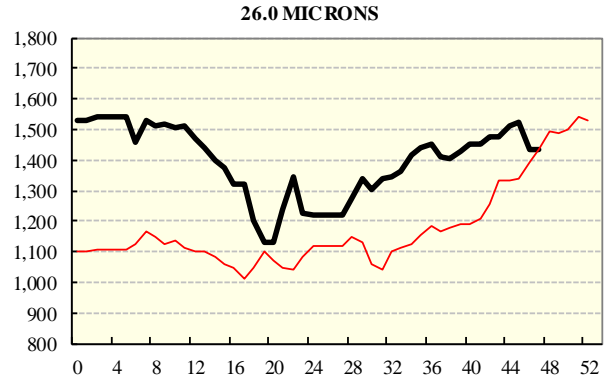
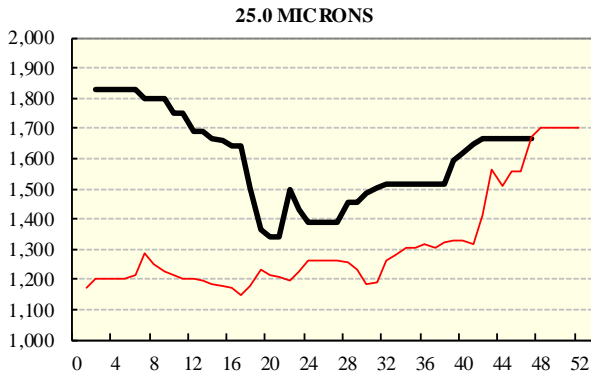
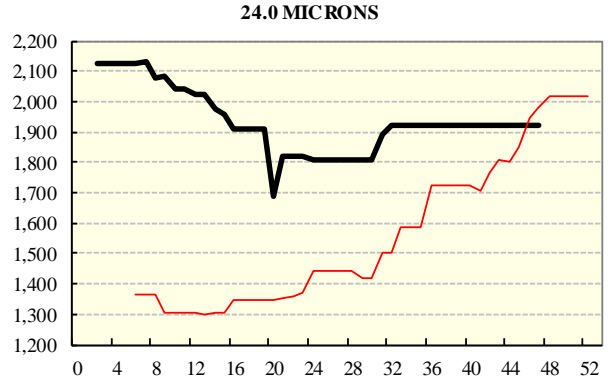
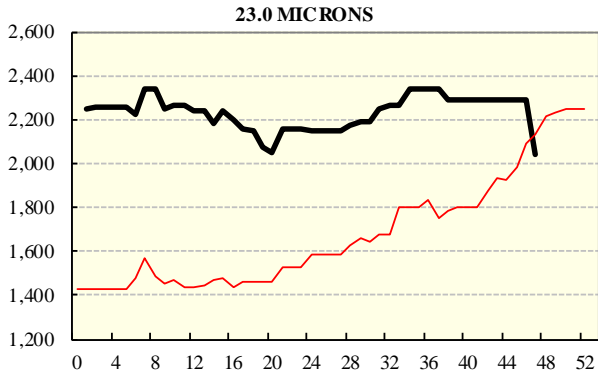
REGION BALES		
This Sale:		
North	6,900	
South	12,833	
West	4,388	
Progressive Totals:		
North	404,275	-17.4%
South	810,783	-11.6%
West	316,442	-7.4%

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)

