

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW Week Ending 31 August 2018 (Week 09)

As is well known, Melbourne's Thursday sale was transferred to Friday because of a major fire in a warehouse near the sale rooms. Police evacuated people from all nearby businesses. We have calculated the Sale Closing prices as an average of Thursday's Northern and Western data and Friday's Southern data.

The AWEX EMI finished 22¢ higher (+1.1%) on Friday in Australian currency and 1¢ higher (+0.1%) in US currency at sales in Sydney, Melbourne and Fremantle this week.

The fall in the WMI was because there was no sale in the previous week, when the EMI moved down by 48¢. The two week falls in the two Indicators were -26¢ in the EMI and -24¢ in the WMI.

36,000 bales were on offer nationally, compared with 29,691 bales last sale. 2.7% of the offering was passed in.

AWEX reports that the value of the wool sold was \$87.3 million (\$2,493 per bale), taking the season total to \$502.7 million.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 09)									
Centre	Last Sale		Day-to-Day Changes (Week 09)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Wednesday	Thursday	Friday			US ¢	Euro ¢
Eastern	08	2068	+8	+5	+9	+22 (+1.1%)	2090	+1	+1
Northern	08	2117	+15	+13	No Sale	+28 (+1.3%)	2145	+5	+4
Southern	08	2037	+4	No Sale	+14	+18 (+0.9%)	2055	-2	-2
Western	07	2279	-37	+13	No Sale	-24 (-1.1%)	2255	-34	-30

The market rose steadily on each day before finishing strongly in Melbourne on Friday, when all micron ranges and most types moved up. It was another week in which the better types finished better than the lesser types.

Changes in the average AWEX Merino Price Guides ranged from +0.1% at 20 microns to +1.9% at 18.5 microns. Crossbred average MPGs were more mixed, ranging from 0.0% at 25 and 32 microns to +3.9% at 30 microns.

It was a good week for Oddments, with the average Merino Cardings Price Guide was up by 3.1% to close at 1584¢.

The US Exchange Rate continued to move down, finishing 0.76¢ (-1.0%) lower to close at 72.80¢ on Friday.

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 34,000 bales to 39,000 bales and to be 10.4% less than in the same period last year.

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	253¢	357¢	494¢	642¢	806¢

Market Indicator	Four Sales Ago Week 02	Changes From		
		Start of the Season	Week 09 Last Year	Season Average to Week 09 Last Year
Eastern Market Indicator	+109 (+5.5%)	+102 (+5.1%)	0 ()	+483 (+31.0%)
Western Market Indicator	+126 (+5.9%)	+113 (+5.3%)	+646 (+40.1%)	+590 (+36.8%)

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 ¢	+26	+30	+36	+42	+46	+28	+4	+2	+40	+10		+4
Change %	+0.8%	+1.0%	+1.3%	+1.6%	+1.9%	+1.2%	+0.2%	+0.1%	+1.8%	+0.4%		+0.2%
Since Start of the Season												
Change ¢	+101	+148	+179	+204	+202	+139	+97	+49	+73	+42	-5	-42
Change %	+3.4%	+5.3%	+6.9%	+8.4%	+8.7%	+6.1%	+4.3%	+2.2%	+3.3%	+1.9%	-0.2%	-2.0%
Since Same Week Last Year												
Change ¢	+766	+643	+552	+477	+522	+580	+627	+657	+720	+756	+788	+778
Change %	+32.7%	+27.9%	+24.7%	+22.0%	+26.0%	+31.5%	+36.3%	+39.9%	+45.1%	+49.8%	+54.1%	+59.7%

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 ¢	0	+5	+23	+27	0	+47
Change %	0.0%	+0.3%	+2.4%	+3.9%	0.0%	+3.1%
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 June ABS export data.

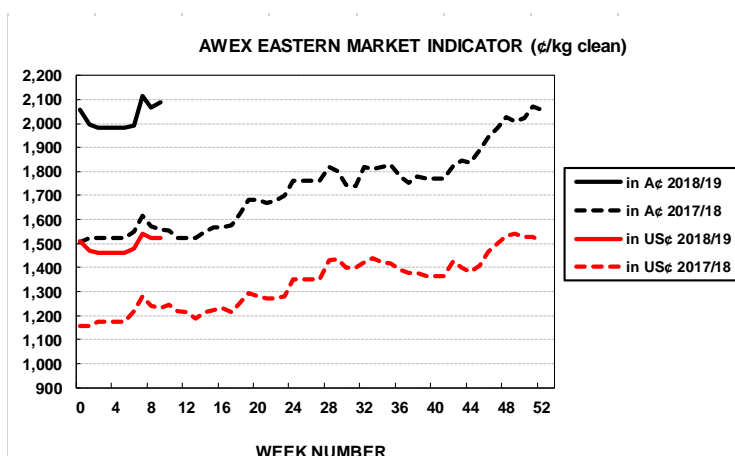
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re- Offered	Bales Sold
North	10,348	10,603	1.6%	1.2%	3.3%	10,431
South	19,343	14,970	3.1%	3.8%	3.4%	14,509
West		10,427	3.4%	0.6%	7.9%	10,073
Australia	29,691	36,000	2.7%	2.1%	4.7%	35,013

Actual and % Changes in the Progressive Offerings from Last Year	
-13,474	-14.1%
-14,526	-11.0%
-8,693	-19.4%
-36,693	-13.5%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 10	Week 11	Week 12	Differences
North	10,707	9,900	10,050	-14.8%
South	21,466	16,998	20,785	-9.4%
West	6,735	7,125	7,330	-6.6%
New Zealand	350			
Australia	38,908	34,023	38,165	-10.4%
Differences	-4.2%	-20.4%	-6.2%	

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	73.56	-0.76	+0.43	+0.05	-0.19	-0.29	-0.76 (-1.0%)	72.80	72.75	74.41
Euro	63.56	-0.64	+0.11	-0.24	-0.18	-0.33	-0.64 (-1.0%)	62.92	62.92	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%
Change all Countries				+10.6%	+20.9%



AVERAGE EMI	
This Year	2040
Last Year	1739
2016/17	1408
2015/16	1254
2014/15	1102

SEASON AVERAGES		
Region	This Year	Diff
North	2082	+270
South	2014	+320
West	2195	+388

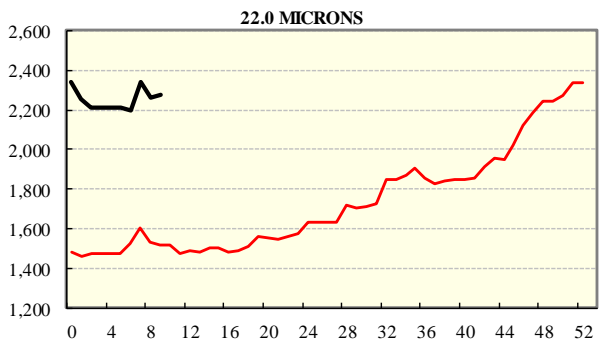
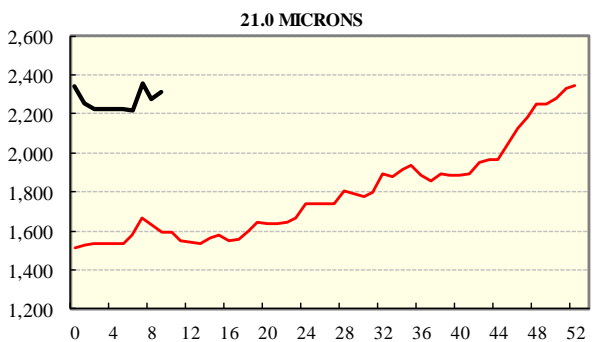
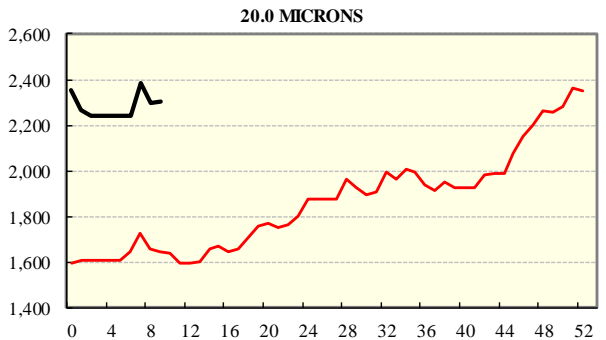
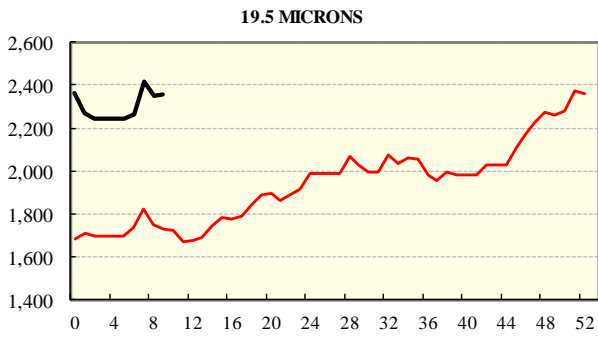
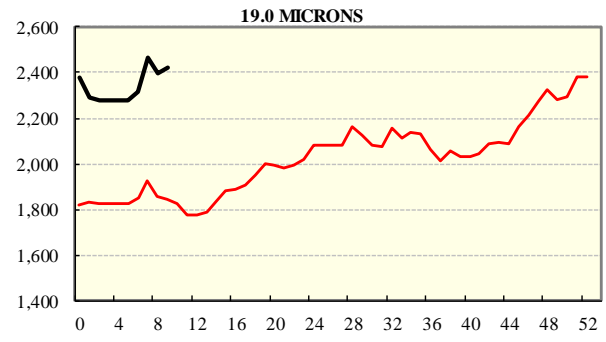
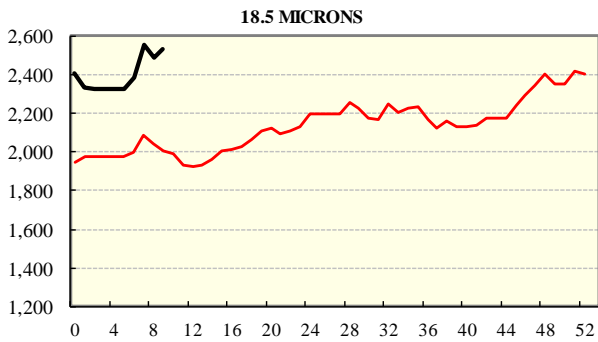
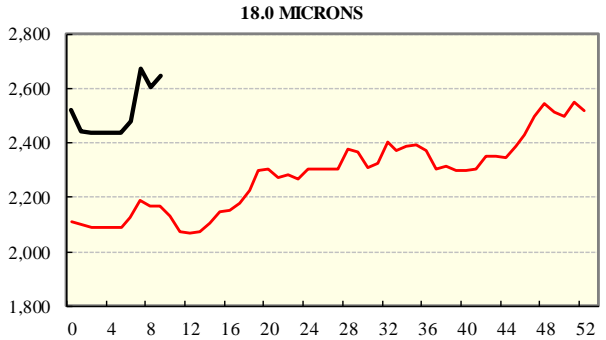
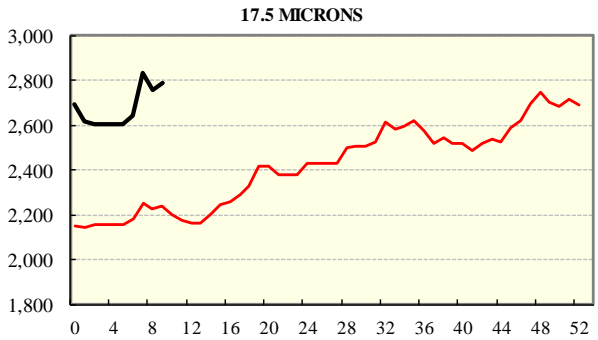
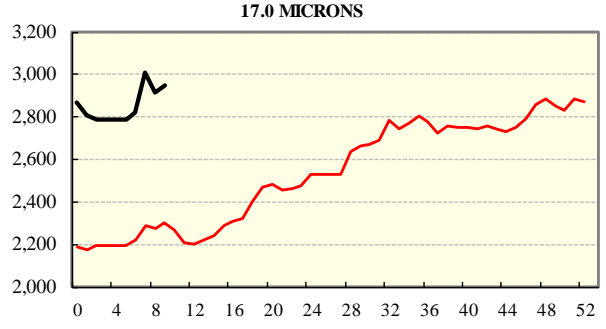
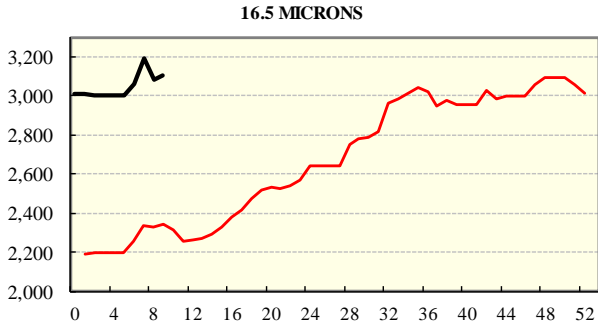
THIS YEAR'S EMI	
This Week	2090
First Week	1994
Low (0/01)	1981
High (0/01)	2116

COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	2145	+125
South	2055	+87
West	2255	+113

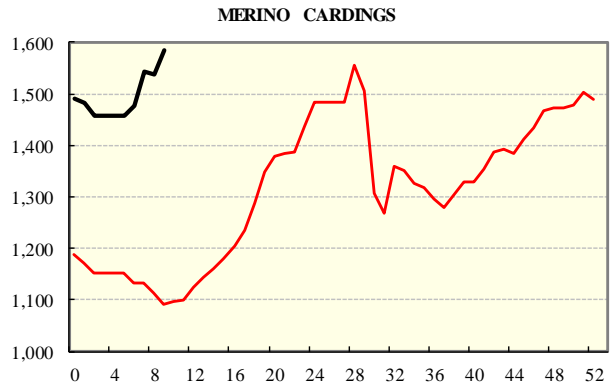
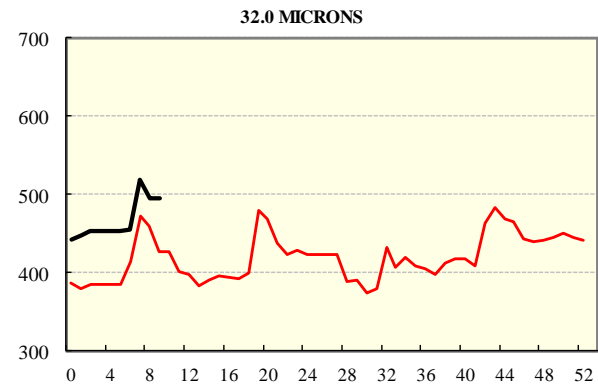
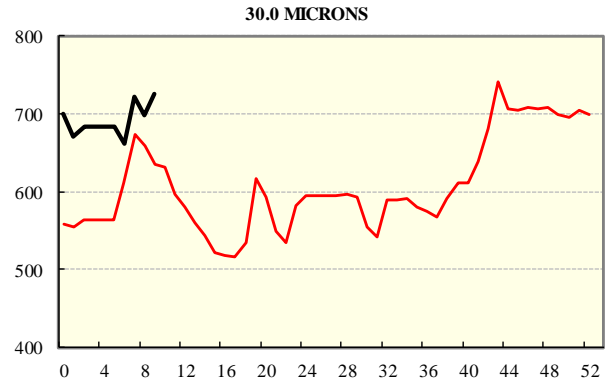
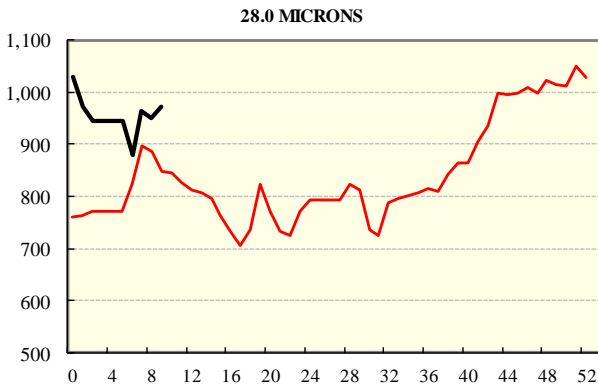
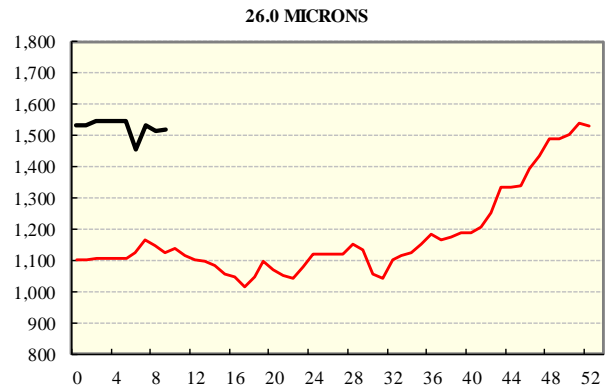
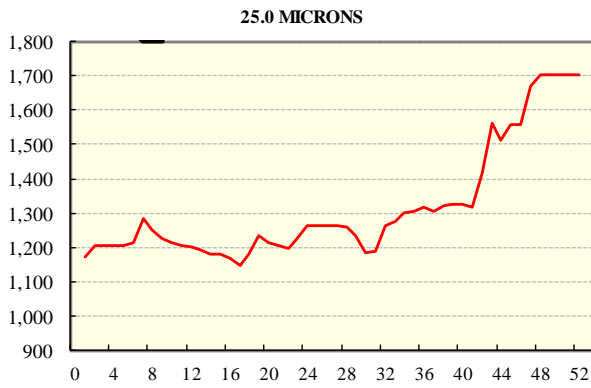
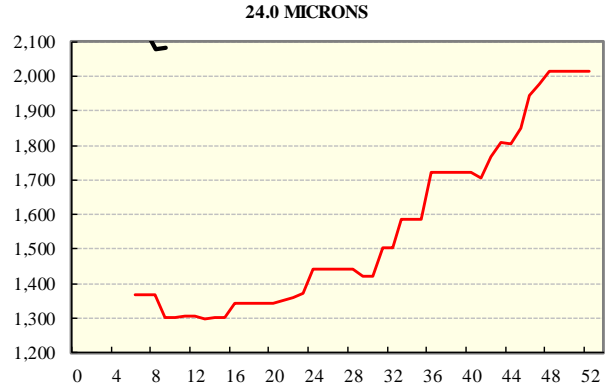
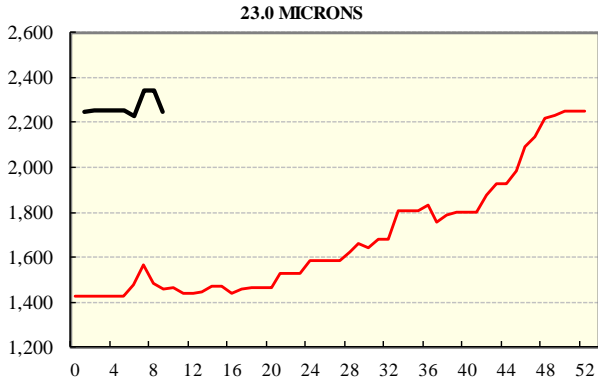
BALES OFFERED	
This Year	235,832
Last Year	272,525
Difference	-36,693
% Diff	-13.5%
FIRST OFFERED BALES	
Difference	-13.1%
% of Offering	95.4%

REGION BALES		
This Sale:		
North	10,603	
South	14,970	
West	10,427	
Progressive Totals:		Diff
North	81,884	-14.1%
South	117,776	-11.0%
West	36,172	-19.4%

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)

