

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

Unit 9, 42 - 46 Vella Drive
Sunshine West Vic 3020
Australia
Tel: 03 9311 0103
Fax: 03 9311 0138



Email: awis@woolindustries.org
Web: www.woolindustries.org
ABN: 30 454 304 967
Reg No: A0041776E

AWIS WOOL MARKET REVIEW

Week Ending 5 October 2018 (Week 14)

The AWEX EMI finished at 1992¢, 21¢ lower (-1.0%) in Australian currency and 45¢ lower (-3.1%) in US currency at sales in Sydney, Melbourne and Fremantle this week.

It brought the closing EMI under the 2000¢ mark for the first time since sales resumed in Week 6, after the mid-year break. 38,317 bales were on offer nationally, compared with 32,985 bales last sale. 10.7% of the offering was passed in.

AWEX reports that the value of the wool sold was \$81.4 million (\$2,379 per bale), taking the season total to \$910.0 million (which was also \$2,379 per bale).

The New Zealand Merino Company also offered 944 bales in Melbourne on Wednesday, of which 19.8% were passed in.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 14)									
Centre	Last Sale		Day-to-Day Changes (Week 14)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	13	2013	No Sale	-20	-1	-21 (-1.0%)	1992	-45	-14
Northern	13	2074	No Sale	-23	-1	-24 (-1.2%)	2050	-48	-16
Southern	13	1975	No Sale	-19	0	-19 (-1.0%)	1956	-43	-13
Western	13	2141	No Sale	-26	+17	-9 (-0.4%)	2132	-38	-7

Although helped by currency, the market closed on a positive note on Thursday after the previous week's fall of 54¢ in the EMI; and a further 20¢ easing on Wednesday. Trade reports indicate that competition improved as the day progressed. This gave a boost to the West, where the WMI moved up by 17¢ on Thursday.

The fine end of the Merinos was more affected this week, with the falls in the average AWEX MPGs progressively decreasing up to 18.5 microns, after which there were small increases.

There is only one crossbred MPG data, because there was only one value available for comparison purposes from last Thursday. Oddments continued their downward movement. The average Merino Cardings Price Guide was down by 25¢; and is now at its lowest level for the season (1,404¢).

The US Exchange Rate finished 1.48¢ (-2.0%) lower to close at 70.85¢ on Thursday.

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

Looking ahead, offerings for the coming three sales are expected to range from 34,500 bales in the coming week to 38,300 bales in Week 16; and to be 12.9% 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	272¢	376¢	493¢	607¢	722¢

Market Indicator	Changes From			
	Four Sales Ago Week 10	Start of the Season	Week 14 Last Year	Season Average to Week 14 Last Year
Eastern Market Indicator	-96 (-4.6%)	+4 (+0.2%)	+442 (+28.5%)	+498 (+32.2%)
Western Market Indicator	-123 (-5.5%)	-10 (-0.5%)	+524 (+32.6%)	+603 (+37.8%)

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 ¢	-100	-80	-43	-25	-21	+4	+10	+20	+6	+3		
Change %	-3.3%	-2.8%	-1.6%	-1.0%	-0.9%	+0.2%	+0.4%	+0.9%	+0.3%	+0.1%		
Since Start of the Season												
Change ¢	-84	+23	+79	+122	+113	+55	+12	-35	-66	-71	-69	-145
Change %	-2.8%	+0.8%	+3.0%	+5.0%	+4.9%	+2.4%	+0.5%	-1.6%	-2.9%	-3.2%	-3.1%	-6.8%
Since Same Week Last Year												
Change ¢	+632	+579	+489	+455	+478	+503	+527	+560	+610	+654	+709	+674
Change %	+27.6%	+25.8%	+22.2%	+21.6%	+24.4%	+27.4%	+30.2%	+33.8%	+39.0%	+43.4%	+48.2%	+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 ¢			-40			-25
Change %			-2.8%			-1.7%
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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AWIS WOOL MARKET REVIEW Week Ending 5 October 2018 (Week 14)

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 July ABS export data.

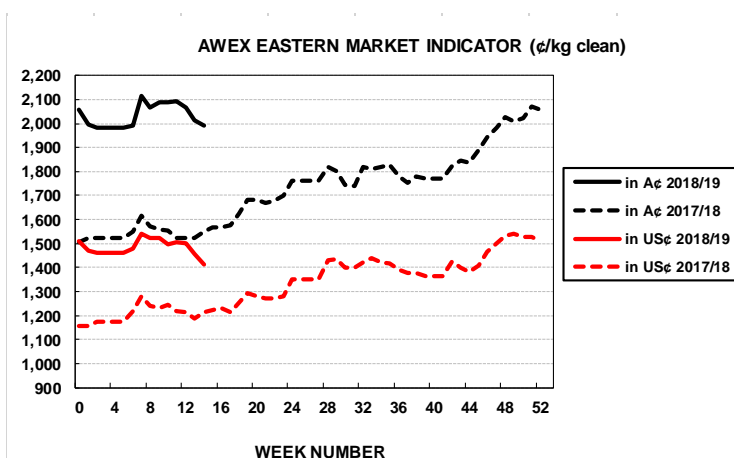
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re- Offered	Bales Sold
North	10,263	10,207	9.7%	1.1%	2.8%	9,221
South	16,685	21,124	10.7%	4.6%	3.1%	18,858
West	6,037	6,986	12.2%	8.9%	5.5%	6,135
Australia	32,985	38,317	10.7%	4.5%	3.5%	34,214

Actual and % Changes in the Progressive Offerings from Last Year	
-22,092	-14.4%
-24,561	-10.3%
-12,886	-16.0%
-59,539	-12.6%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 15	Week 16	Week 17	Differences
North	8,905	9,460	10,515	-18.1%
South	17,235	21,330	19,246	-11.0%
West	8,327	7,500	7,400	-10.5%
New Zealand			<i>1,200</i>	
Australia	34,467	38,290	37,161	-12.9%
Differences	-8.1%	-16.4%	-13.3%	

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	72.33	-0.11	Public	-0.22	-0.18	-0.97	-1.48 (-2.0%)	70.85	70.85	74.41
Euro	61.90	+0.10	Holiday	+0.35	-0.37	-0.24	-0.16 (-0.3%)	61.74	61.70	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	2045
Last Year	1739
2016/17	1408
2015/16	1254
2014/15	1102

SEASON AVERAGES		
Region	This Year	Diff
North	2097	+285
South	2012	+319
West	2198	+391

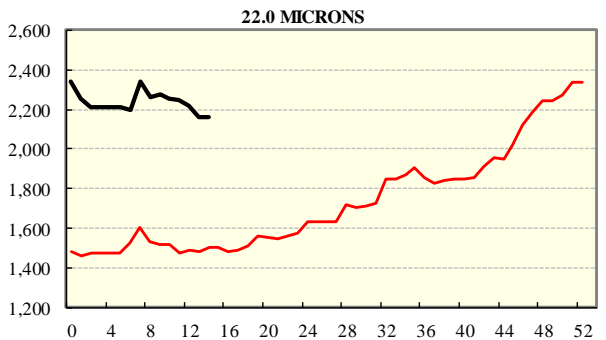
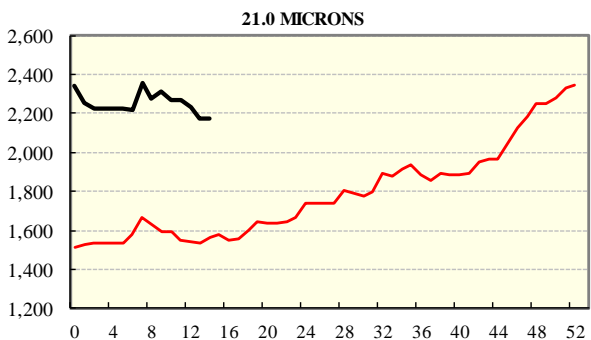
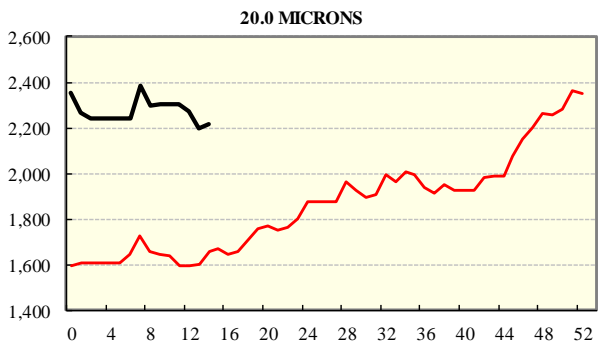
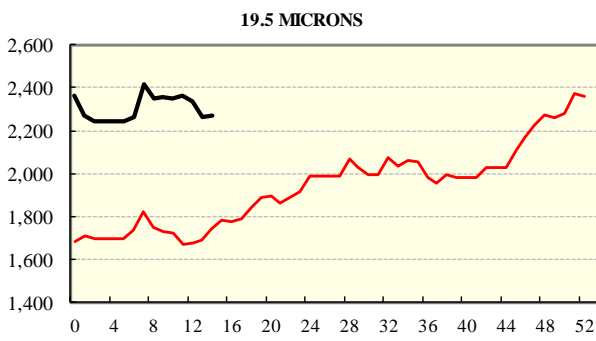
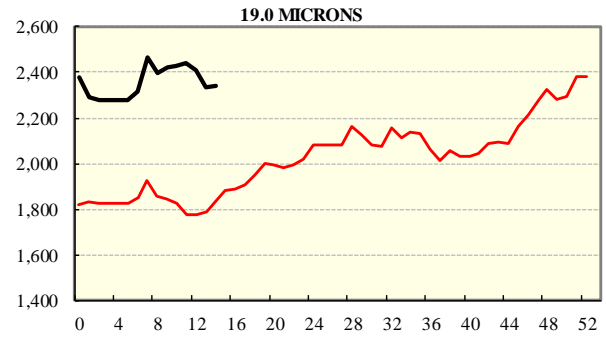
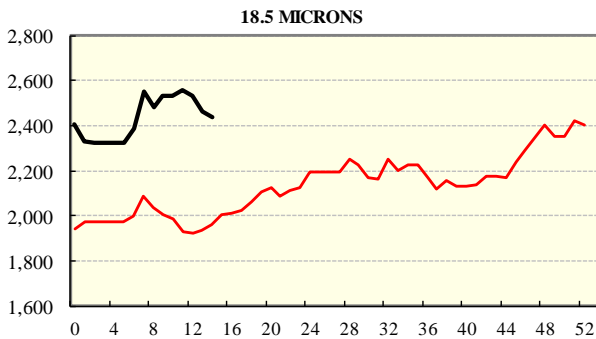
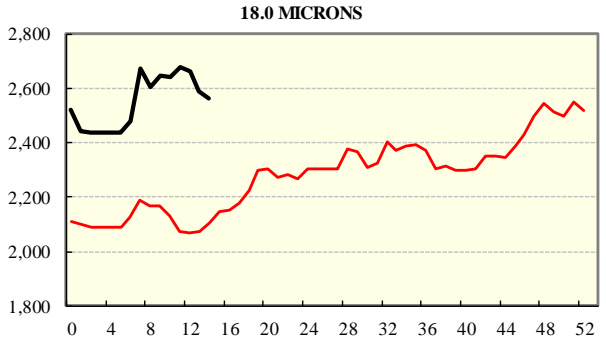
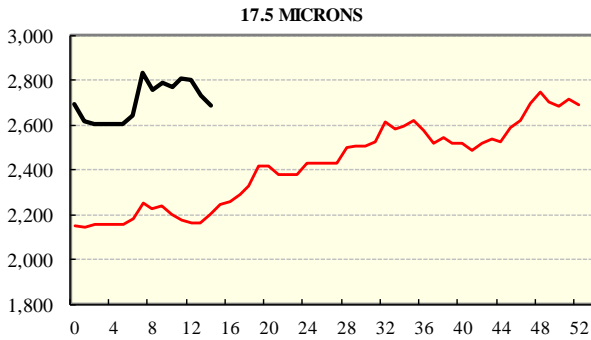
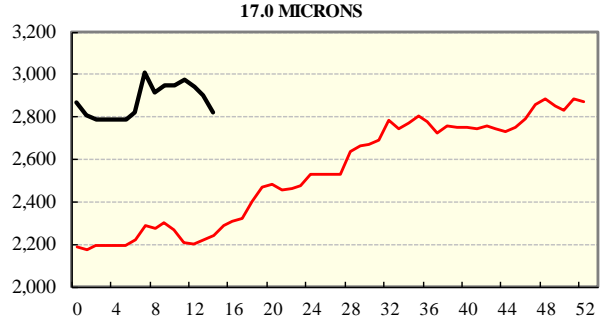
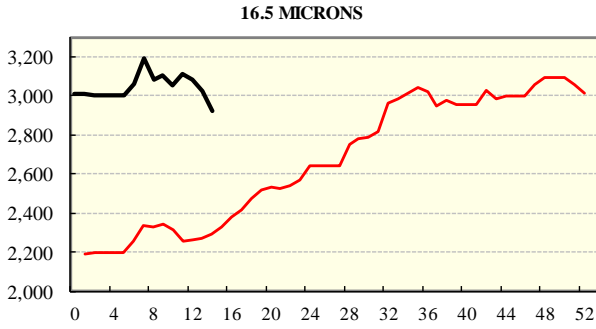
THIS YEAR'S EMI	
This Week	1992
First Week	1994
Low (0/01)	1981
High (0/01)	2116

COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	2050	+30
South	1956	-12
West	2132	-10

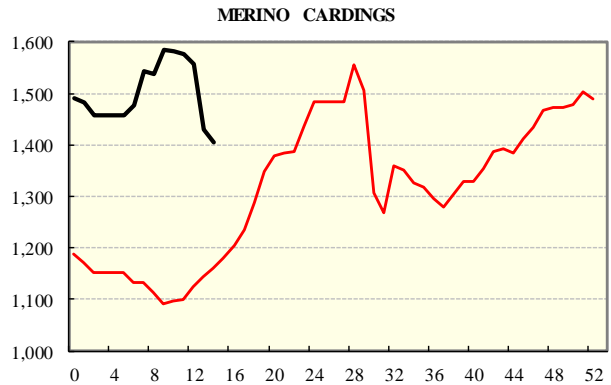
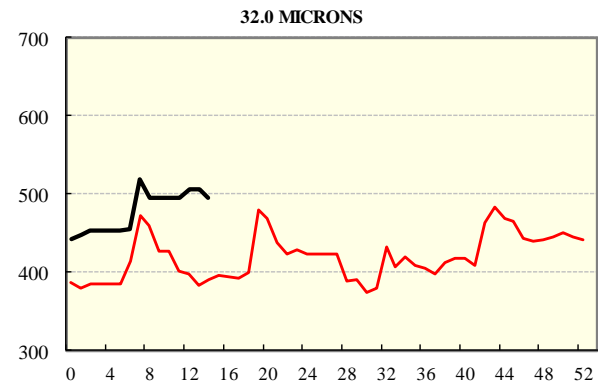
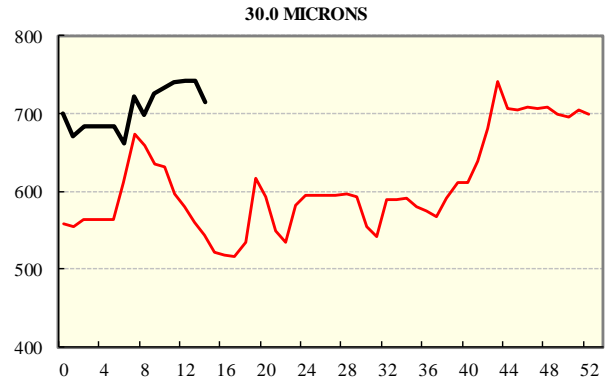
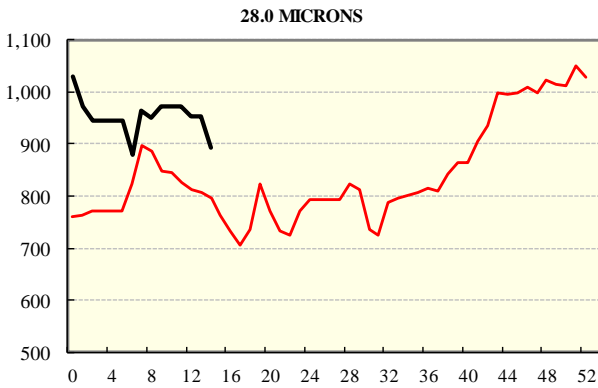
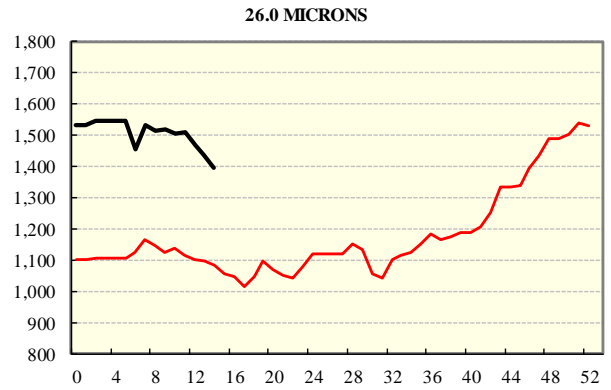
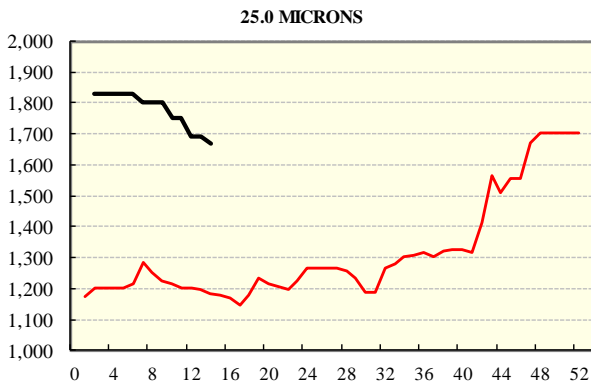
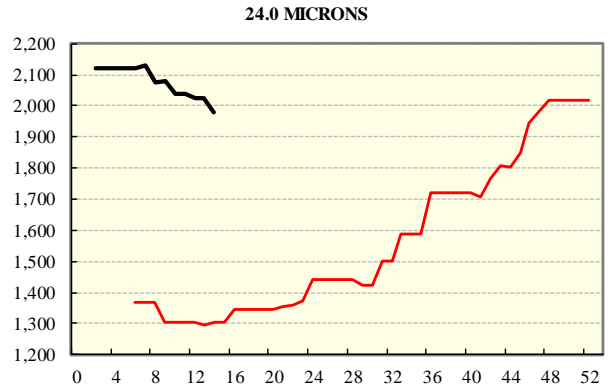
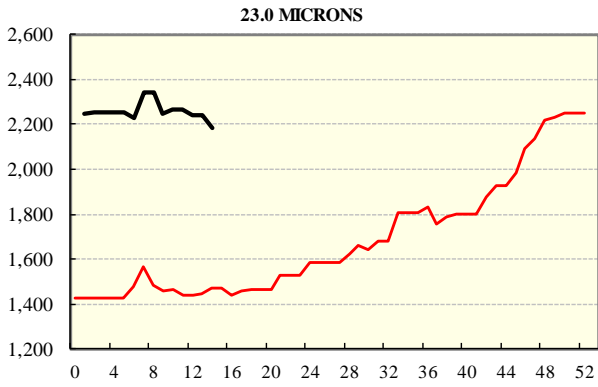
BALES OFFERED	
This Year	414,446
Last Year	473,985
Difference	-59,539
% Diff	-12.6%
FIRST OFFERED BALES	
Difference	-11.5%
% of Offering	95.9%

REGION BALES		
This Sale:		
North	10,207	
South	21,124	
West	6,986	
Progressive Totals:		Diff
North	131,797	-14.4%
South	214,844	-10.3%
West	67,805	-16.0%

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)

