

# AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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## AWIS WOOL MARKET REVIEW Week Ending 6 July 2018 (Week 01)

The AWEX EMI finished at 1994¢, 62¢ lower (-3.0%) in Australian currency and 41¢ lower (-2.7%) in US currency at the first sale of 2018/19 season in Sydney, Melbourne and Fremantle this week.

This was the largest sale-to-sale fall in the EMI since the 2012/13 season.

43,880 bales were on offer nationally, compared with 31,784 bales last sale. Sellers responded to the fall in the market by passing-in 15.6% of the offering (including 20.3% of the Merino Fleece).

AWEX reports that the value of the wool sold was \$81.8 million (\$2,210 per bale), taking the season total to \$81.8 million.

Centre	Last Sale		Day-to-Day Changes (Week 01)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	52	2056	No Sale	-29	-33	-62 (-3.0%)	1994	-41	-50
Northern	52	2088	No Sale	-34	-28	-62 (-3.0%)	2026	-40	-51
Southern	52	2035	No Sale	-25	-35	-60 (-2.9%)	1975	-39	-49
Western	52	2243	No Sale	-45	-44	-89 (-4.0%)	2154	-60	-68

Sale 01 is often a larger sale than the sales leading up to the end of June, which averaged 26,915 bales this year. It remains to be seen whether the market was influenced by the larger offering and the current expectation of a 41,400 bales offering in Sale 02.

There were falls across all types and micron ranges, although the Merino sellers were more prepared to sell their Skirtings lots than their Fleece lots. Oddments were less affected than the Fleece and Skirtings types and had the lowest Pass-In rate (6.2%) of all wool types. The medium and broader Merinos were more affected than those at the fine end. This was reflected in the greater fall in the WMI.

The US Exchange Rate finished 0.25¢ (0.3%) higher to close at 73.78¢ on Thursday.

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

Looking ahead, the expected offering for Week 02 is currently for 41,431 bales. This is up on recent weeks, but is 10.8% less than in the same week 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	73¢	172¢	343¢	523¢	714¢

Market Indicator	Changes From			
	Four Sales Ago Week 49	Start of the Season	Week 01 Last Year	Season Average to Week 01 Last Year
Eastern Market Indicator	-17 (-0.8%)	0 (0.0%)	+470 (+30.8%)	+470 (+30.8%)
Western Market Indicator	No Sale	0 (0.0%)	+593 (+38.0%)	+593 (+38.0%)

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 ¢	-5	-61	-78	-77	-73	-89	-88	-89	-87	-84		
Change %	-0.2%	-2.1%	-2.9%	-3.1%	-3.0%	-3.7%	-3.7%	-3.8%	-3.7%	-3.6%		
Since Start of the Season												
Change ¢	0	0	0	0	0	0	0	0	0	0	0	0
Change %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Since Same Week Last Year												
Change ¢	+815	+633	+467	+340	+359	+456	+562	+653	+730	+792	+818	
Change %	+37.2%	+29.1%	+21.7%	+16.2%	+18.2%	+24.9%	+32.9%	+40.5%	+47.8%	+54.2%	+57.4%	

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 ¢			-56	-30	+6	-9
Change %			-5.4%	-4.3%	+1.4%	-0.6%
Since the Start of the Season						
Change ¢	+481	+329	+230	+147	+56	+306
Change %	+40.5%	+29.7%	+30.0%	+26.3%	+14.6%	+26.3%
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 6 July 2018 (Week 01)

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 May ABS export data.

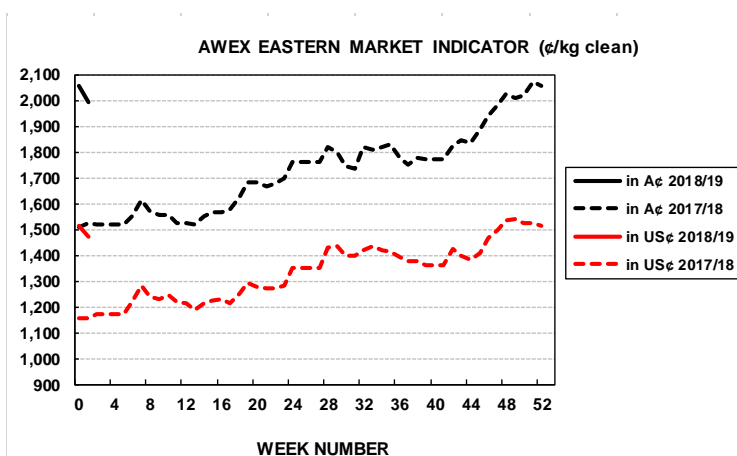
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re- Offered	Bales Sold
North	10,581	15,730	10.7%	0.7%	1.7%	14,054
South	16,396	19,216	12.2%	0.9%	1.3%	16,874
West	4,807	8,934	31.8%	2.5%	3.2%	6,090
<b>Australia</b>	<b>31,784</b>	<b>43,880</b>	<b>15.6%</b>	<b>1.2%</b>	<b>1.8%</b>	<b>37,018</b>

Actual and % Changes in the Progressive Offerings from Last Year	
-1,794	-10.2%
-3,472	-15.3%
-2,004	-18.3%
<b>-7,270</b>	<b>-14.2%</b>

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 02	Week 03	Week 04	Differences
North	14,846	No Sale	No Sale	<b>-10.6%</b>
South	22,545	No Sale	No Sale	<b>-1.6%</b>
West	4,040	No Sale	No Sale	<b>-41.8%</b>
<b>New Zealand</b>				
<b>Australia</b>	<b>41,431</b>			<b>-10.8%</b>
<b>Differences</b>	<b>-10.8%</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	73.53	+0.38	-0.09	-0.22	+0.41	-0.23	+0.25 (+0.3%)	73.78	73.78	73.78
Euro	63.63	-0.19	-0.03	-0.17	+0.18	-0.33	-0.54 (-0.8%)	63.09	63.09	63.09

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to May	
	May 2018	July to May 2017/18	July to May 2016/19	By Weight	By Value
China	78.0%	79.0%	79.3%	+3.5%	+19.6%
India	7.6%	5.6%	6.1%	-3.5%	+10.9%
Italy	2.6%	4.2%	4.0%	-0.3%	+28.7%
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%
<b>Change all Countries</b>				<b>+10.6%</b>	<b>+20.9%</b>



AVERAGE EMI	
This Year	1994
Last Year	1739
2016/17	1408
2015/16	1254
2014/15	1102

SEASON AVERAGES		
Region	This Year	Diff
North	2026	+214
South	1975	+282
West	2154	+347

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

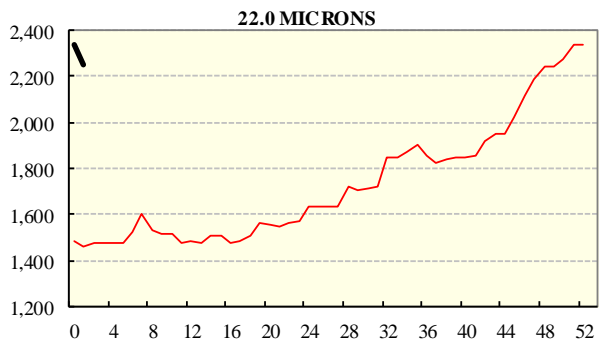
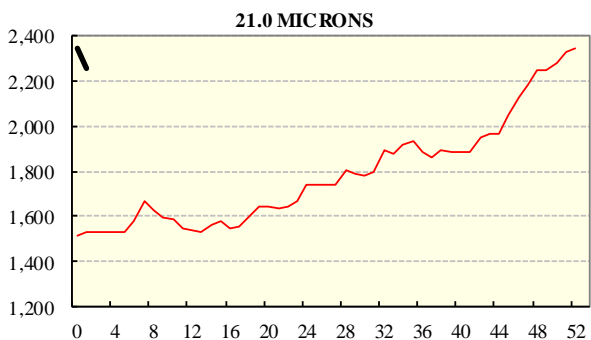
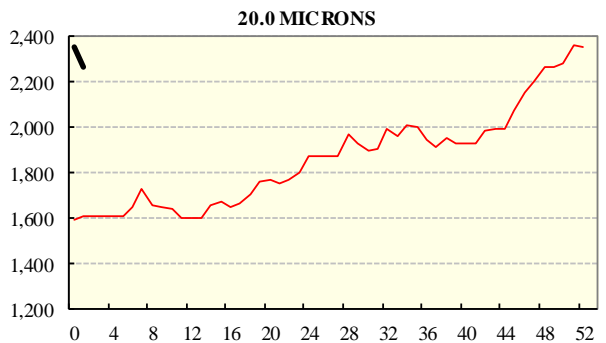
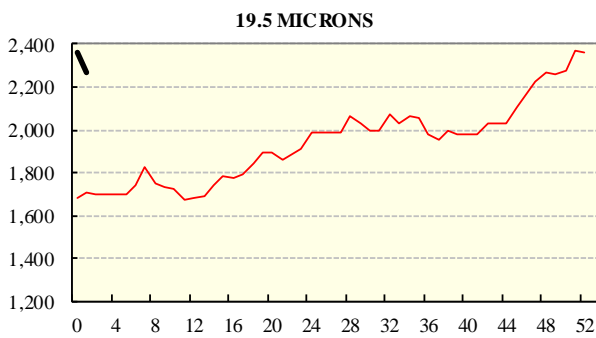
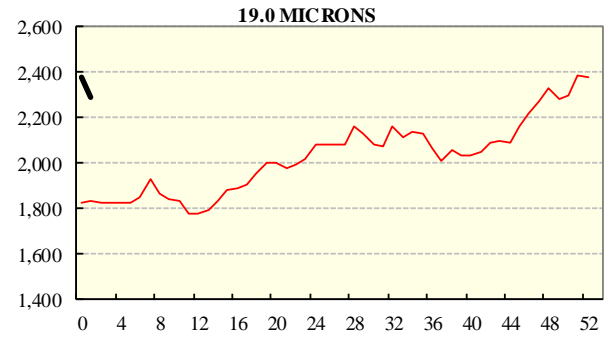
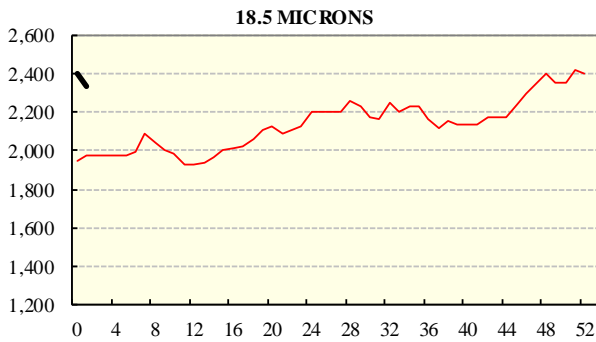
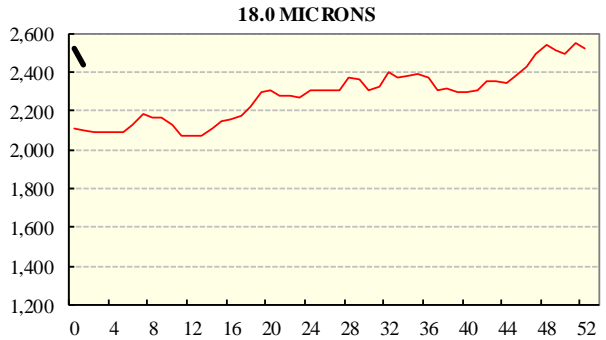
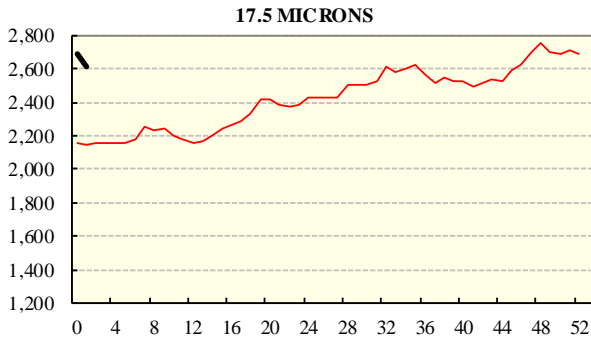
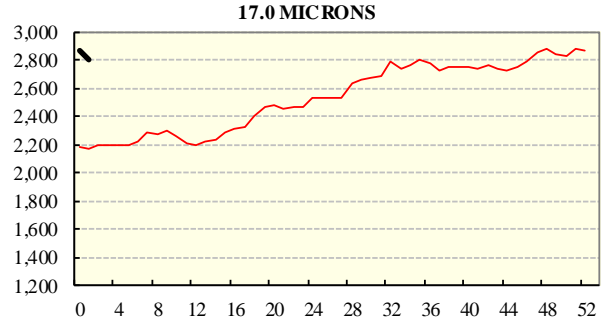
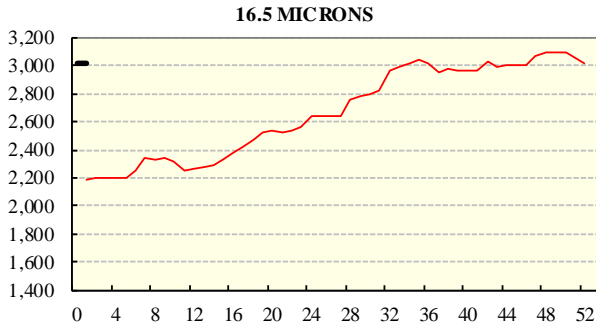
COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	2026	
South	1975	
West	2154	

BALES OFFERED	
This Year	43,880
Last Year	51,150
Difference	-7,270
% Diff	-14.2%
FIRST OFFERED BALES	
Difference	-11.8%
% of Offering	98.2%

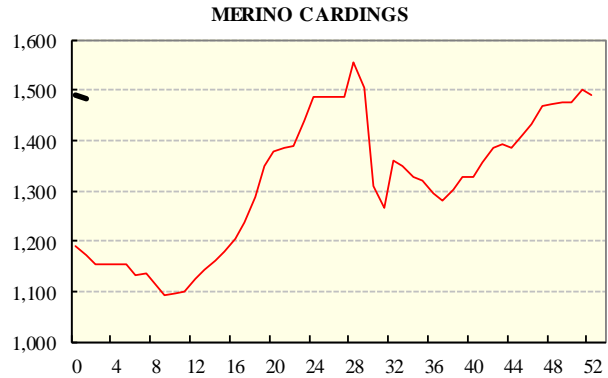
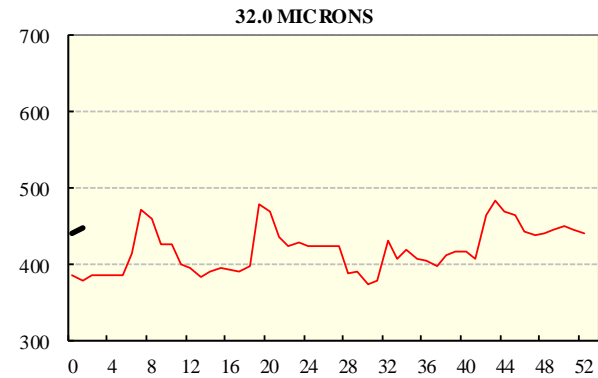
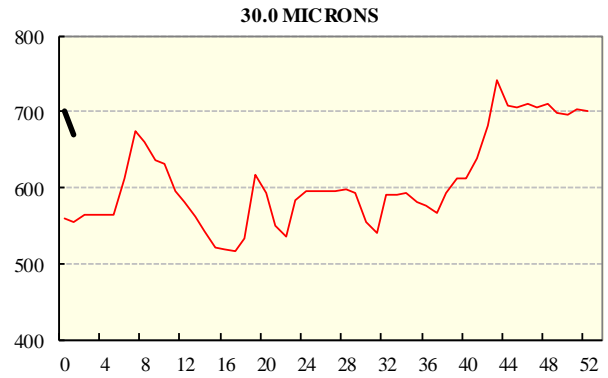
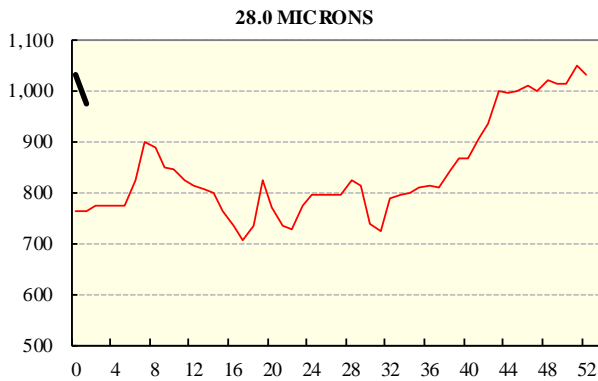
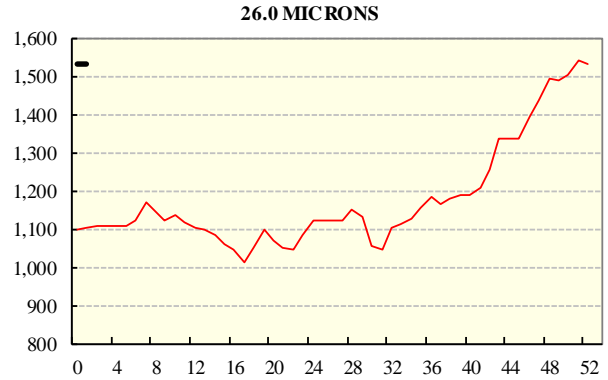
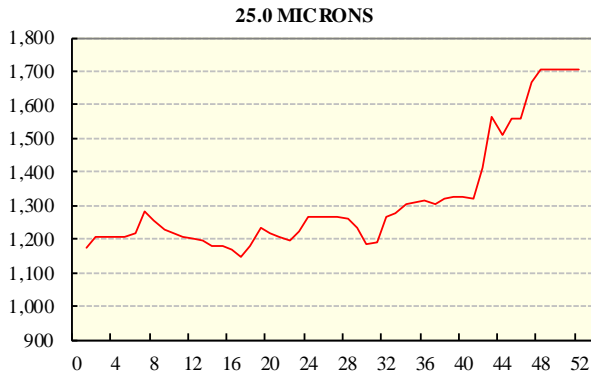
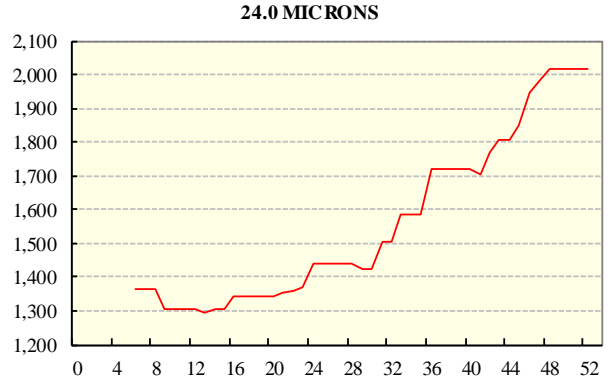
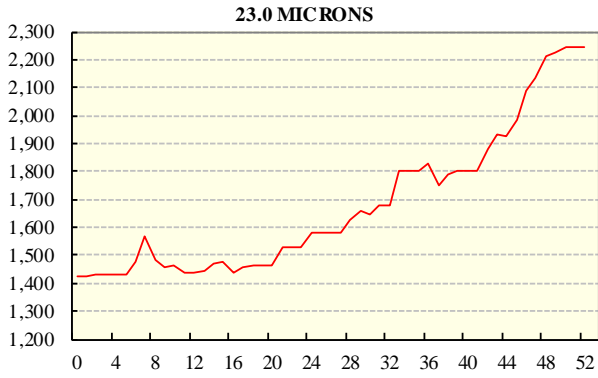
REGION BALES		
This Sale:		
North	15,730	
South	19,216	
West	8,934	
Progressive Totals:		
North	15,730	-10.2%
South	19,216	-15.3%
West	8,934	-18.3%

## 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)

