

# AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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## AWIS WOOL MARKET REVIEW Week Ending 7 December 2018 (Week 23)

The AWEX EMI finished at 1849¢, 11¢ lower (-0.6%) in Australian currency and 24¢ lower (-1.8%) in US currency at sales in Sydney, Melbourne and Fremantle this week.

37,410 bales were on offer nationally, compared with 34,513 bales last sale. 10.2% of the offering was passed in. 6.5% of this occurred in the Merino types and 19.1% among the crossbreds, where there were large falls in prices.

AWEX reports that the value of the wool sold was \$68.2 million (\$2,029 per bale), taking the season total to \$1.466 billion (\$2,275 per bale).

The New Zealand Merino Company also offered 905 bales in Melbourne on Thursday, of which 16.2% were passed in.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 23)									
Centre	Last Sale		Day-to-Day Changes (Week 23)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	22	1860	No Sale	-14	+3	-11 (-0.6%)	1849	-24	-18
Northern	22	1905	No Sale	-13	+5	-8 (-0.4%)	1897	-22	-16
Southern	22	1831	No Sale	-14	+1	-13 (-0.7%)	1818	-25	-18
Western	22	2009	No Sale	-14	+14	0 (0.0%)	2009	-17	-12

The first day displayed a downward trend that was more apparent among the lesser Merino and crossbred types, before becoming positive among the Merinos on Thursday when prices were assisted by a 0.62¢ fall in the US Exchange Rate.

The falls in the crossbred MPGs continued on Thursday, cancelling out the big gains made last week when these wools were in very strong demand. Oddments were mixed on both days. The average AWEX Merino Cardings Price Guide moved down by 15¢, after three weeks of rises to close at 1173¢.

The US Exchange Rate finished 0.88¢ (-1.2%) lower to close at 72.26¢ on Thursday.

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

Looking ahead, the next sale will be the last before the three week Christmas break. It is currently rostered for 48,777 bales. It is the largest sale since the first sale after the mid-year break, when 49,414 bales were offered for sale. However, it is still 4.2% less than 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	107¢	186¢	248¢	305¢	366¢

Market Indicator	Changes From			
	Four Sales Ago Week 19	Start of the Season	Week 23 Last Year	Season Average to Week 23 Last Year
Eastern Market Indicator	+73 (+4.1%)	-139 (-7.0%)	+150 (+8.8%)	+379 (+23.9%)
Western Market Indicator	+78 (+4.0%)	-133 (-6.2%)	+247 (+14.0%)	+476 (+29.0%)

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 ¢	+32	+22	+8	+9	+19	+24	+15	+4	-5	-1		
Change %	+1.3%	+0.9%	+0.3%	+0.4%	+0.8%	+1.1%	+0.7%	+0.2%	-0.2%	0.0%		
Since Start of the Season												
Change ¢	-471	-319	-193	-88	-70	-76	-90	-109	-120	-110		
Change %	-15.7%	-11.4%	-7.4%	-3.6%	-3.0%	-3.3%	-4.0%	-4.8%	-5.4%	-4.9%		
Since Same Week Last Year												
Change ¢	-31	+5	+37	+83	+129	+188	+256	+342	+454	+548		
Change %	-1.2%	+0.2%	+1.6%	+3.7%	+6.1%	+9.3%	+13.4%	+19.0%	+27.2%	+34.8%		

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 ¢	-66	-122	-85	-50		-15
Change %	-4.4%	-9.1%	-9.1%	-6.7%		-1.3%
Since Start of the Season						
Change ¢	-395	-319	-106	+16	+4	-297
Change %	-21.6%	-20.7%	-11.1%	+2.4%	+0.9%	-20.2%
Since Same Week Last Year						
Change ¢	+208	+144	+81	+110	+26	-265
Change %	+17.0%	+13.3%	+10.5%	+18.9%	+6.1%	-18.4%

# 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 October ABS export data.

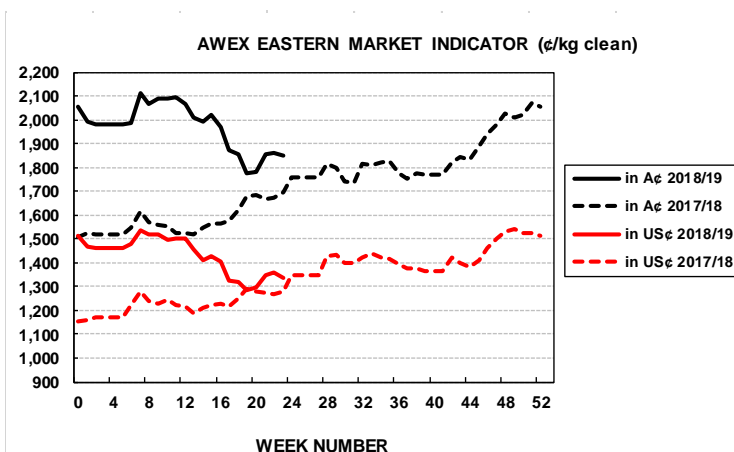
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re-Offered	Bales Sold
North	8,779	9,680	7.6%	1.3%	5.1%	8,949
South	17,691	19,002	11.2%	4.8%	8.2%	16,874
West	8,043	8,728	10.8%	3.8%	10.4%	7,784
<b>Australia</b>	<b>34,513</b>	<b>37,410</b>	<b>10.2%</b>	<b>3.7%</b>	<b>7.9%</b>	<b>33,607</b>

Progressive Changes from Last Year		
All Bales		1 <sup>st</sup> Time Bales
Bales	%	%
-53,301	-20.2%	20.4%
-79,238	-17.4%	18.1%
-30,983	-18.8%	21.7%
<b>-163,522</b>	<b>-18.5%</b>	<b>19.5%</b>

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 24	Week 25	Week 26	Differences
North	13,072	No Sale	No Sale	+3.5%
South	27,146	No Sale	No Sale	-7.5%
West	8,559	No Sale	No Sale	-4.2%
<b>New Zealand</b>				
<b>Australia</b>	<b>48,777</b>			<b>48,777</b>
<b>Differences</b>	<b>-4.2%</b>			<b>-4.2%</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	73.14	+0.02	+0.51	+0.08	-0.87	-0.62	-0.88 (-1.2%)	72.26	70.72	74.41
Euro	64.24	-0.03	+0.69	-0.09	-0.48	-0.65	-0.56 (-0.9%)	63.68	61.17	64.24

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change	
	October 2018	July to October 2018/19	July to October 2017/18	By Weight	By Value
China	78.2%	75.6%	77.1%	-17.6%	+12.5%
India	6.9%	6.6%	6.3%	-12.4%	+11.5%
Italy	6.0%	6.3%	5.3%	-0.5%	+21.9%
Czech Republic	2.4%	3.2%	5.0%	-48.4%	-21.1%
Korea	1.8%	2.8%	1.3%	+75.4%	+138.4%
Malaysia	0.9%	0.8%	1.3%	-45.9%	-36.7%
Egypt	0.8%	1.0%	1.0%	-19.8%	-2.3%
Taiwan	0.6%	0.9%	0.6%	+16.7%	+97.1%
<b>Change all Countries</b>				<b>-20.7%</b>	<b>+8.2%</b>



AVERAGE EMI	
This Year	1967
Last Year	1739
2016/17	1408
2015/16	1254
2014/15	1102

SEASON AVERAGES		
Region	This Year	Diff
North	2015	+203
South	1937	+244
West	2115	+307

THIS YEAR'S EMI	
This Week	1849
First Week	1994
Low (0/01)	1776
High (0/01)	2116

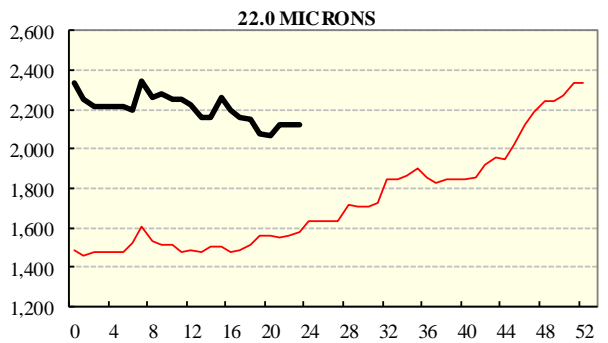
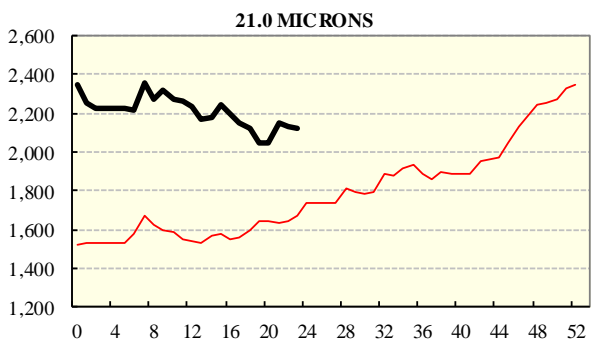
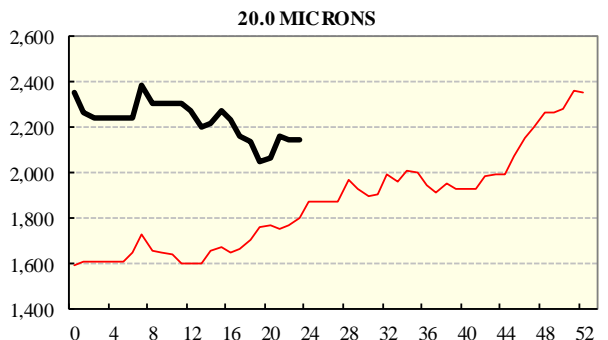
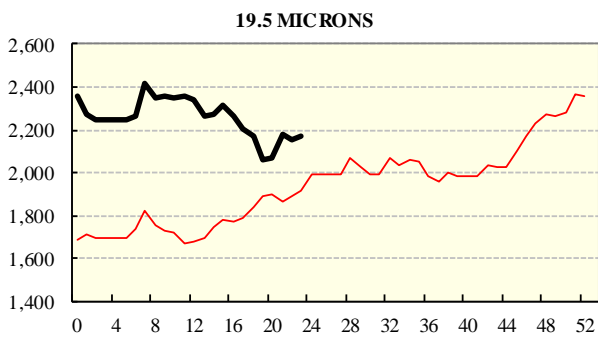
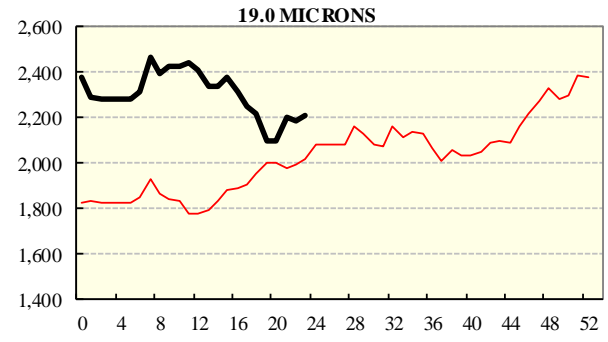
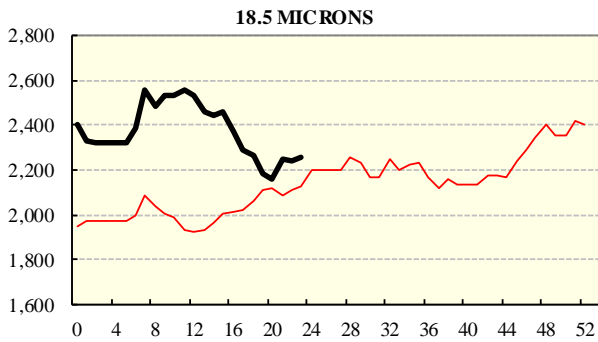
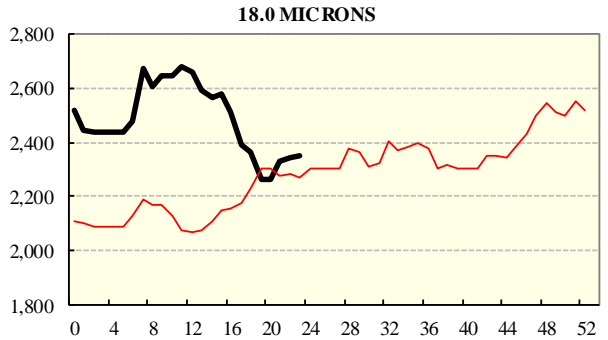
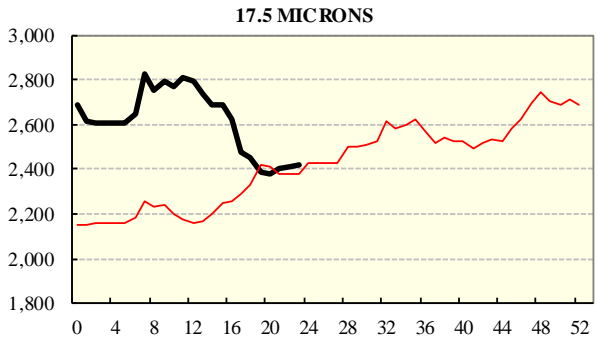
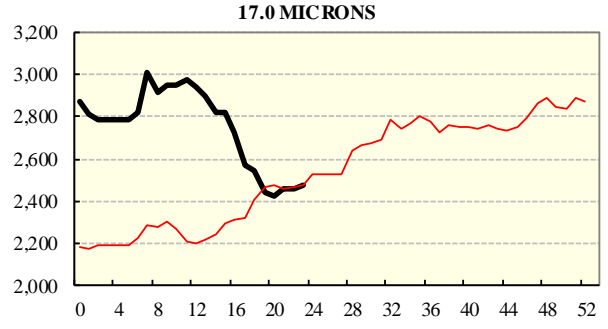
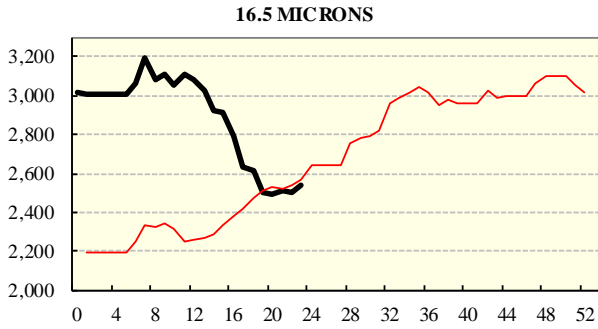
COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1897	-123
South	1818	-150
West	2009	-133

BALES OFFERED	
This Year	721,304
Last Year	884,826
Difference	-163,522
% Diff	-18.5%
FIRST OFFERED BALES	
Difference	-19.5%
% of Offering	94.4%

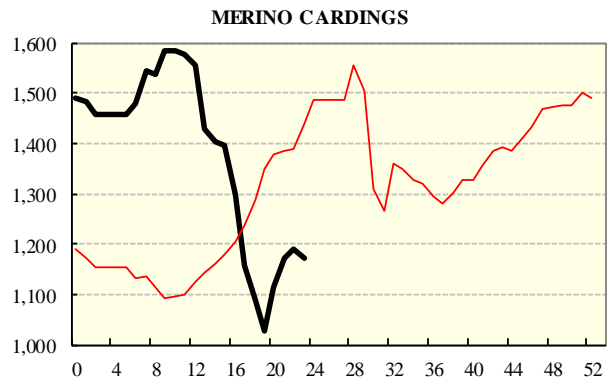
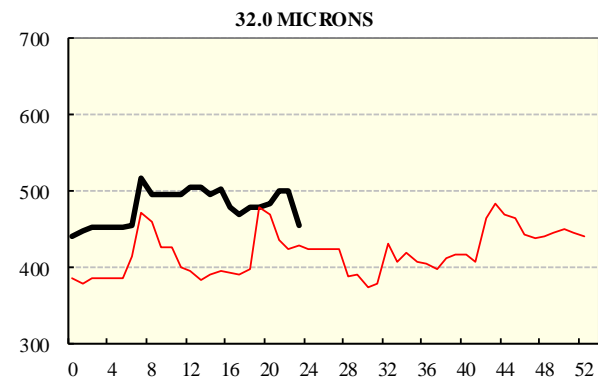
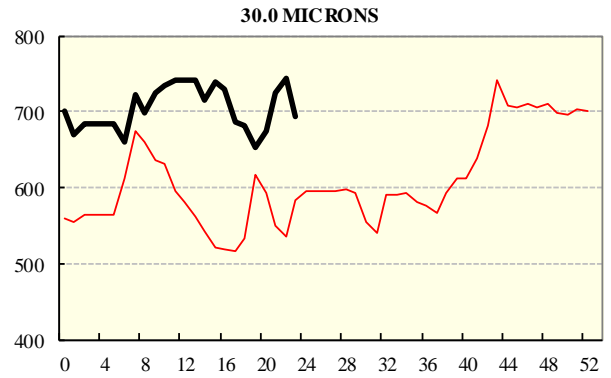
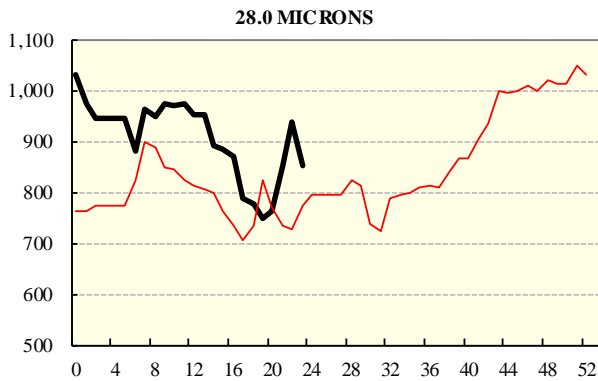
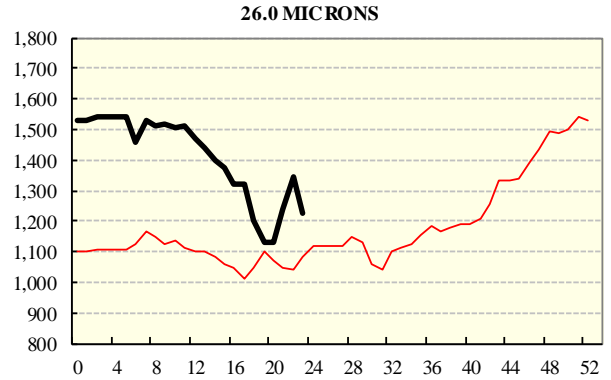
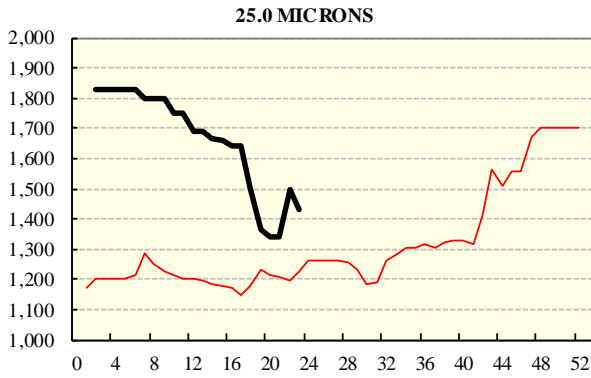
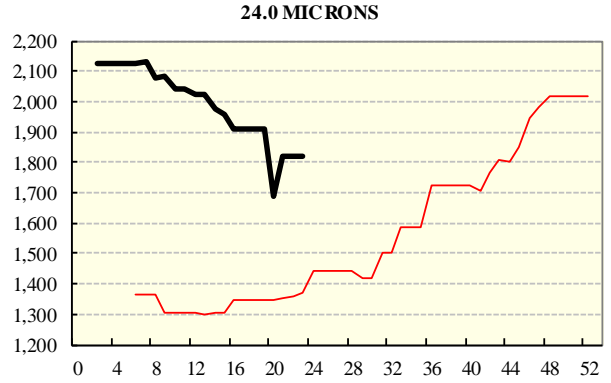
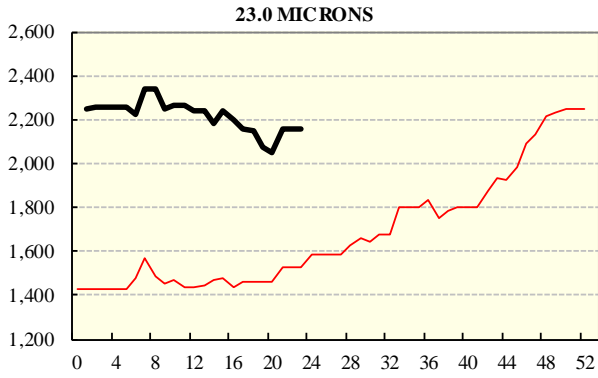
REGION BALES		
This Sale:		Diff
North	9,680	
South	19,002	
West	8,728	
Progressive Totals:		Diff
North	210,571	-20.2%
South	376,670	-17.4%
West	134,063	-18.8%

## 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)

