

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW

Week Ending 1 November 2019 (Week 18).

The AWEX EMI finished 49¢ higher (+3.2%) in Australian currency and 47¢ higher (+4.4%) in US currency at sales in Sydney, Melbourne and Fremantle this week. The market has withstood the strengthening US Exchange Rate to have risen by 85¢ in US currency since the beginning of October.

35,300 bales were on offer nationally, compared with 27,047 bales last sale. 5.7% of the potential offering was withdrawn prior to sale; while 6.6% was passed in. The number of bales sold at auction this season is now 23.8% less than in 2017/18. AWEX reports that the value of the wool sold was \$59.7 million (\$1,811 per bale), taking the season total to \$659.8 million (\$1,737 per bale).

The New Zealand Merino Company also offered 2,085 bales in Melbourne on Thursday, of which 10.8% were passed in.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 18)									
Centre	Last Sale		Day-to-Day Changes (Week 18)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	17	1545	No Sale	+49	0	+49 (+3.2%)	1594	+47	+40
Northern	17	1560	No Sale	+62	+4	+66 (+4.2%)	1626	+58	+50
Southern	17	1527	No Sale	+43	-3	+40 (+2.6%)	1567	+40	+34
Western	17	1672	No Sale	+28	-13	+15 (+0.9%)	1687	+24	+19

The EMI moved up sharply when sales opened on Wednesday. This was in line with trade expectations following reports of good enquiry leading into the sale. The market then settled on Thursday, before easing towards the end of selling in the East. This continued in the West later in the day when the WMI moved down by 13¢.

The Merinos did best at up to 18.0 microns, but were not far ahead of the medium types.

The US Exchange Rate continued to move up, when it finished 0.83¢ (1.2%) higher, to close at 69.26¢ on Thursday. This is the highest value since the last sale before the mid-year break when it reached 69.72¢.

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

In other countries, the South African Cape Wools Indicator was up by 6.8% since last week against a 3.3% depreciation of the Rand against the US Dollar and a 3.6% depreciation against the Euro.

Looking ahead, offerings for the coming three sales are currently expected to range from 35,226 bales to 36,525 bales and to be 10.1% more than in the same period last year. The forecast progressive difference to Week 21 is -13.8%.

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	No 22.0µ MPG	No 22.0µ MPG	No 22.0µ MPG	No 22.0µ MPG	No 22.0µ MPG

Market Indicator	Changes From			
	Four Sales Ago Week 14	Start of the Season	Week 18 Last Year	Season Average to Week 18 Last Year
Eastern Market Indicator	+83 (+5.5%)	-145 (-8.3%)	-260 (-14.0%)	-461 (-22.9%)
Western Market Indicator	+77 (+4.8%)	-194 (-10.3%)	-318 (-15.9%)	-511 (-23.6%)

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 ¢	+42	+51	+47	+41	+29	+31	+30	+24	+20			
Change %	+2.1%	+2.6%	+2.5%	+2.2%	+1.6%	+1.7%	+1.7%	+1.4%	+1.1%			
Since Start of the Season												
Change ¢	-121	-162	-179	-197	-181	-197	-211	-243	-252			
Change %	-5.6%	-7.6%	-8.4%	-9.3%	-8.8%	-9.7%	-10.4%	-12.0%	-12.5%			
Since Same Week Last Year												
Change ¢	-576	-562	-503	-440	-395	-379	-355	-352	-355			
Change %	-22.0%	-22.1%	-20.5%	-18.6%	-17.4%	-17.1%	-16.3%	-16.5%	-16.7%			

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 ¢		+68	-91	-68		+57
Change %		+5.8%	-8.7%	-8.4%		+5.5%
Since Start of the Season						
Change ¢		-108	-86	-104		+102
Change %		-8.0%	-8.2%	-12.3%		+10.3%
Since Same Week Last Year						
Change ¢		+36	+181	+63		+1
Change %		+3.0%	+23.3%	+9.3%		+0.1%

MC Average Merino Cardings Price Guide

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AWIS WOOL MARKET REVIEW Week Ending 1 November 2019 (Week 18)

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.

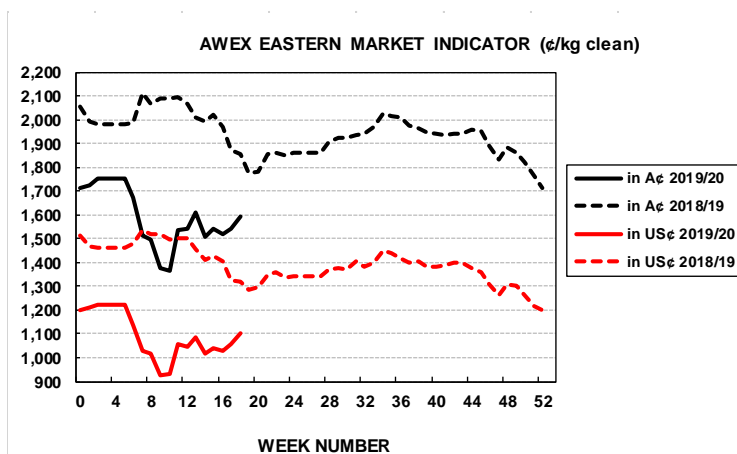
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re-Offered	Bales Sold
North	4,972	8,946	4.3%	6.9%	6.8%	8,561
South	15,468	17,958	4.8%	4.7%	7.7%	17,093
West	6,607	8,396	13.0%	6.4%	14.6%	7,308
Australia	27,047	35,300	6.6%	5.7%	9.1%	32,962

Progressive Changes from Last Year		
All Bales		1 st Time Bales
Bales	%	%
-31,144	-18.7%	-22.9%
-62,962	-21.8%	-26.5%
-5,405	-5.6%	-15.2%
-99,511	-18.1%	-23.5%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 19	Week 20	Week 21	Differences
North	9,515	8,275	7,300	-3.1%
South	18,386	20,600	20,276	+15.9%
West	8,596	7,650	7,650	+12.5%
New Zealand			3,500	
Australia	36,497	36,525	35,226	108,248
Differences	+13.4%	+3.4%	+14.5%	+10.1%

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	68.43	-0.25	-0.04	+0.40	+0.10	+0.62	+0.83 (+1.2%)	69.26	67.17	70.36
Euro	61.45	-0.04	+0.07	+0.31	0.00	+0.24	+0.58 (+0.9%)	62.03	60.42	62.48

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to August	
	August 2019	July to August 2019/20	July to August 2018/19	By Weight	By Value
China	72.3%	74.7%	73.2%	-13.3%	-25.8%
Italy	7.1%	7.6%	6.3%	+2.3%	-12.8%
India	8.2%	5.7%	6.9%	-29.6%	-36.6%
Czech Republic	4.0%	3.5%	3.7%	-20.1%	-35.3%
Korea	2.9%	2.4%	3.6%	-43.6%	-52.6%
Egypt	1.8%	1.6%	0.9%	+44.6%	+23.7%
Thailand	1.0%	0.7%	1.3%	-50.2%	-58.2%
Bulgaria	0.2%	0.6%	0.1%	+734.3%	+1,038.2%
Change all Countries				-15.1%	-27.1%



AVERAGE EMI	
This Year	1553
Last Year	1939
2017/18	1739
2016/17	1408
2015/16	1254

SEASON AVERAGES		
Region	This Year	Diff
North	1578	-404
South	1536	-376
West	1652	-436

THIS YEAR'S EMI	
This Week	1594
First Week	1723
Low (10/01)	1365
High (11/01)	1754

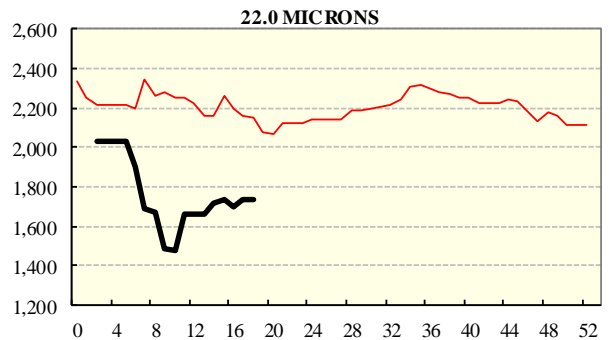
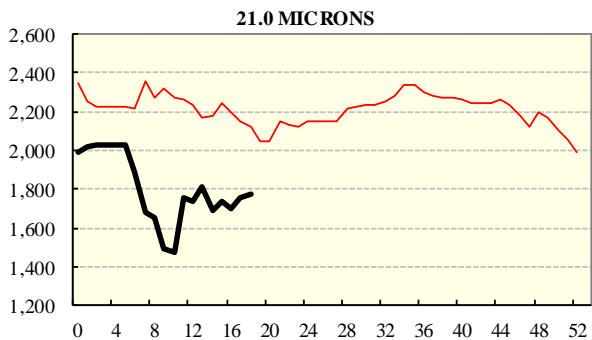
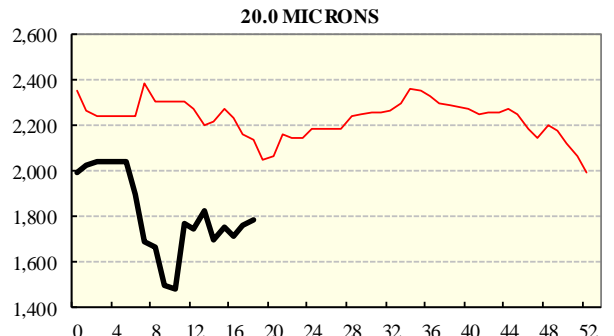
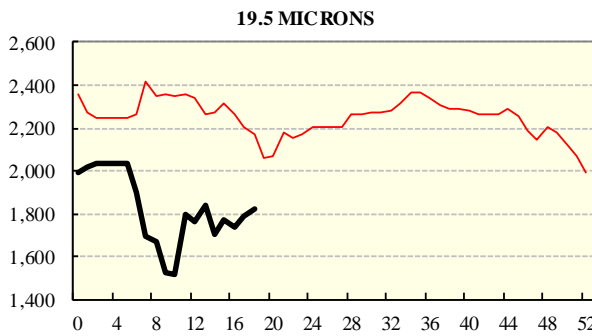
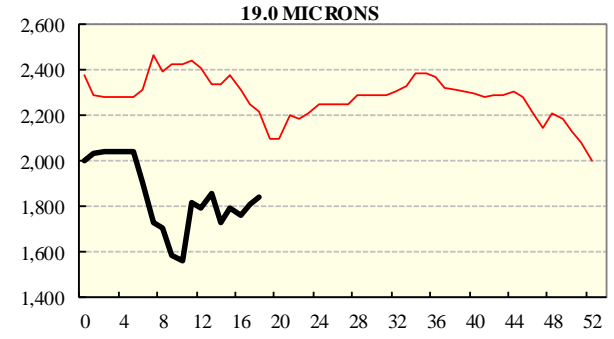
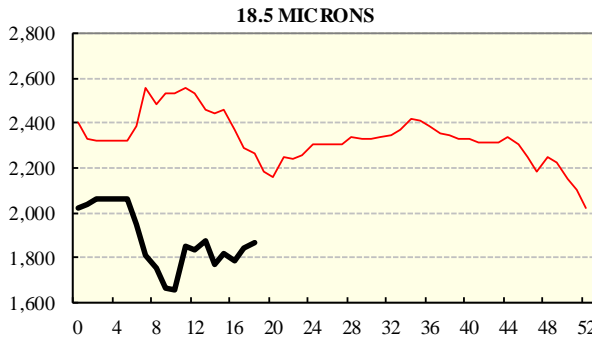
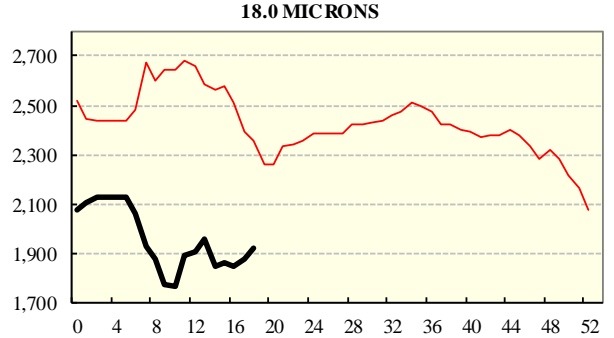
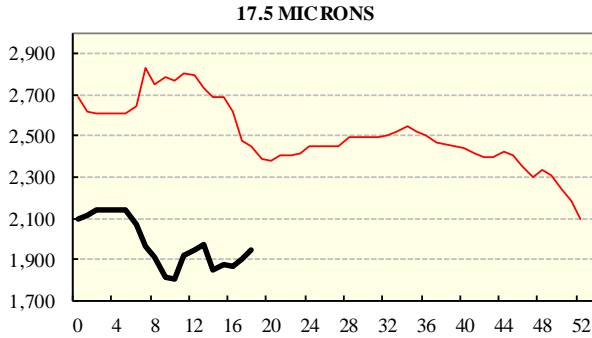
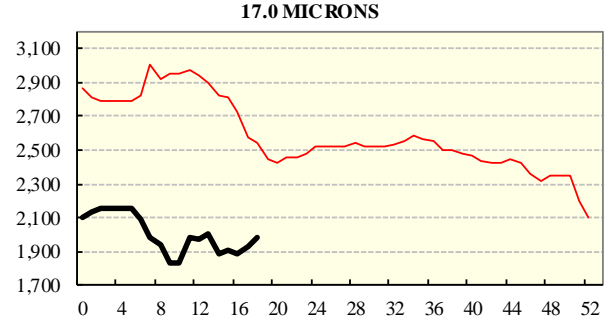
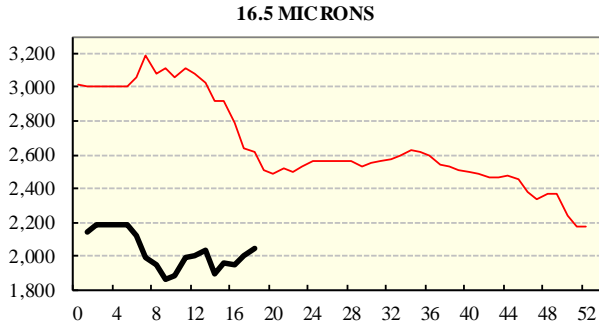
COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1626	-133
South	1567	-158
West	1687	-194

BALES OFFERED	
This Year	451,586
Last Year	551,097
Difference	-99,511
% Diff	-18.1%
FIRST OFFERED BALES	
Difference	-23.5%
% of Offering	89.1%

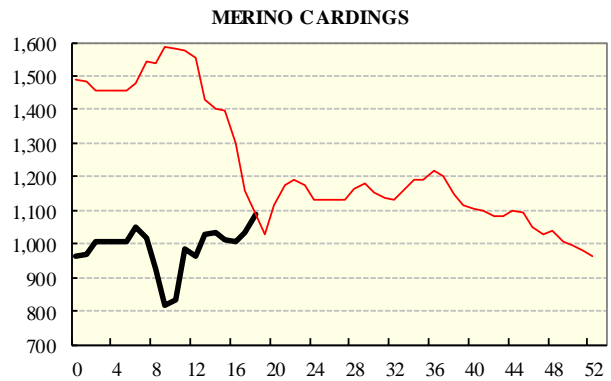
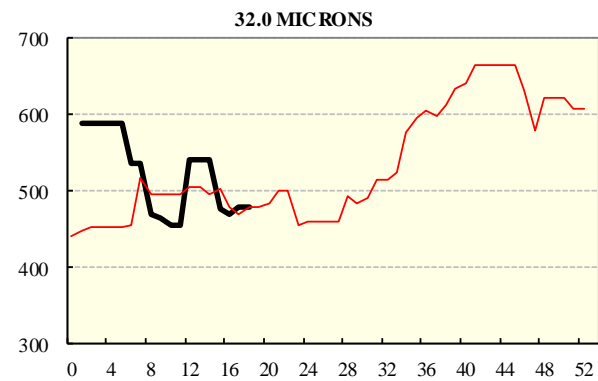
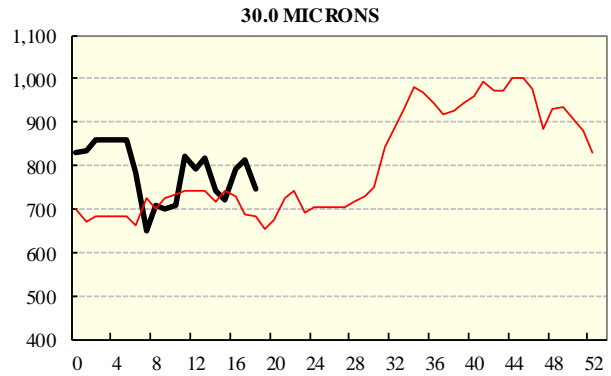
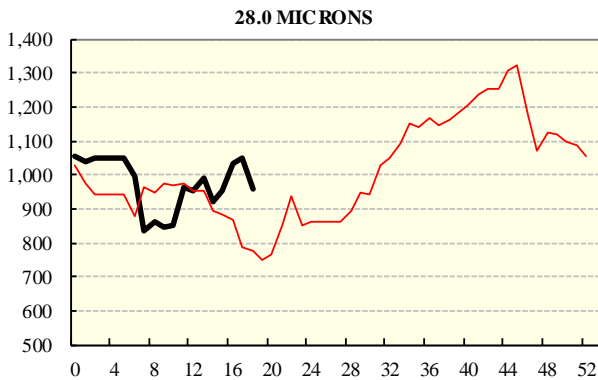
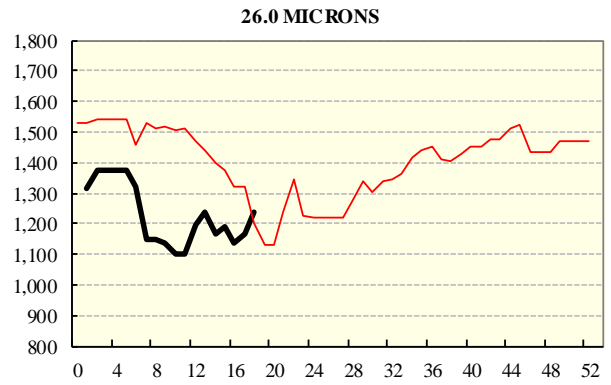
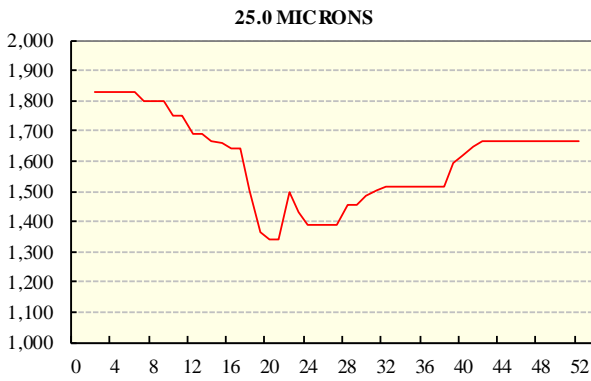
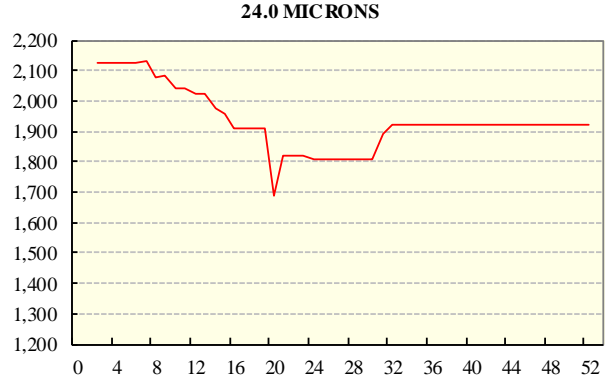
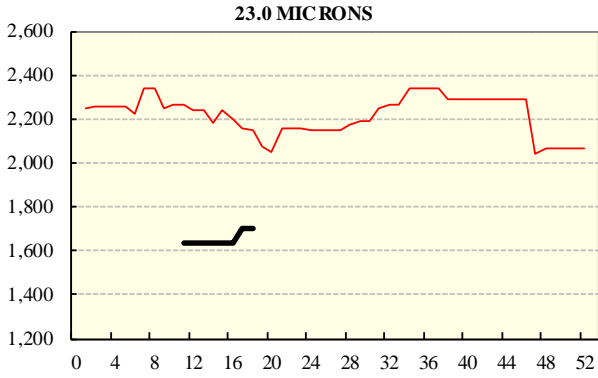
REGION BALES		
This Sale:		Diff
North	8,946	
South	17,958	
West	8,396	
Progressive Totals:		
North	135,074	-18.7%
South	225,863	-21.8%
West	90,649	-5.6%

AVERAGE AWEX MICRON PRICE GUIDES

2019/20 (black graph line) and 2018/19 (red graph line)



AVERAGE AWEX MICRON PRICE GUIDES
2019/20 (black graph line) and 2018/19 (red graph line)



EASTERN MARKET INDICATOR (EMI) SINCE 1999/00 (¢/kg clean)

(In Australian, United States and European Currencies)

