

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW

Week Ending 13 December 2019 (Week 24).

The AWEX EMI finished 11¢ higher (+0.7%) in Australian currency and 14¢ higher (+1.4%) in US currency at sales in Sydney, Melbourne and Fremantle in Week 24.

42,542 bales were on offer nationally, compared with 37,191 bales last sale. It was the largest initial offering of the season before 10.2% of the potential offering was withdrawn prior to sale. 10.7% of the offering was then passed-in.

AWEX reports that the value of the wool sold was \$61.9 million (\$1,630 per bale), taking the season total to \$983.5 million (\$1,731 per bale). The number of bales sold at auction this season is now 17.4% less than in 2018/19.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 24)									
Centre	Last Sale		Day-to-Day Changes (Week 24)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	23	1492	+6	+2	+3	+11 (+0.7%)	1503	+14	+7
Northern	23	1524	No Sale	+4	-1	+3 (+0.2%)	1527	+9	+3
Southern	23	1471	+9	+2	+6	+17 (+1.2%)	1488	+18	+11
Western	23	1604	No Sale	+13	-3	+10 (+0.6%)	1614	+14	+7

The market got away to a solid start in Melbourne on Tuesday when the EMI rose by 9¢. The EMI followed up with small gains on Wednesday and Thursday in both Australian and US currencies. The sale in Fremantle followed the pattern in the East, with the WMI up by 10¢. It was a nice change after three weeks of downward movements.

The gains were enough to take the EMI back over 1500¢ to 1503¢.

Merino wools up to 19.5 microns were up by around 1%, while the medium types did slightly better. Crossbreds were variable, with good gains in the South, that were partly counteracted by small losses in the North.

The US Exchange Rate finished 0.43¢ (0.6%) higher to close at 68.82¢ on Thursday.

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

The weekly offerings continued moving closer to the previous year's volumes when the number of bales offered in the last four weeks was up by 3.1%, compared with a figure of -15.7% from Weeks 01 to 20.

Looking ahead, the next sale's offering is expected to be 39,400 bales. There was no comparative sale in Week 25 last year. It is the last sale prior to the Christmas break, after which sales will resume in the week ending 17 January (Week 29).

In other countries, the South African sales are in recess until 9 January next 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	30¢	106¢	173¢	241¢	300¢

Market Indicator	Changes From			
	Four Sales Ago Week 20	Start of the Season	Week 24 Last Year	Season Average to Week 24 Last Year
Eastern Market Indicator	-71 (-4.5%)	-236 (-13.6%)	-359 (-19.3%)	-414 (-21.1%)
Western Market Indicator	-63 (-3.8%)	-267 (-14.2%)	-417 (-20.5%)	-462 (-21.9%)

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 ¢	+20	+27	+17	+12	+2	+20	+19	+28	+27	+45		
Change %	+1.0%	+1.4%	+0.9%	+0.7%	+0.1%	+1.2%	+1.1%	+1.7%	+1.6%	+2.7%		
Since Start of the Season												
Change ¢	-160	-206	-254	-302	-302	-312	-321	-321	-318	-325		
Change %	-7.4%	-9.6%	-11.9%	-14.3%	-14.7%	-15.3%	-15.8%	-15.8%	-15.7%	-16.0%		
Since Same Week Last Year												
Change ¢	-561	-578	-580	-572	-553	-522	-492	-475	-444	-428		
Change %	-21.9%	-23.0%	-23.6%	-24.0%	-24.0%	-23.2%	-22.4%	-21.8%	-20.7%	-20.0%		

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 ¢		+1	+13	+23	+18	-18
Change %		+0.1%	+1.6%	+3.6%	+4.1%	-1.7%
Since Start of the Season						
Change ¢		-209	-198	-194	-136	+72
Change %		-15.6%	-18.9%	-22.9%	-23.1%	+7.3%
Since Same Week Last Year						
Change ¢		-82	-12	-49	-6	-71
Change %		-6.7%	-1.4%	-7.0%	-1.3%	-6.3%

MC Average Merino Cardings Price Guide

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AWIS WOOL MARKET REVIEW Week Ending 13 December 2019 (Week 24)

The following tables show the details of this week's sale offering; the expected offering at next week's sale; the changes in Exchange Rates since the previous sale; and highlights from the October ABS export data.

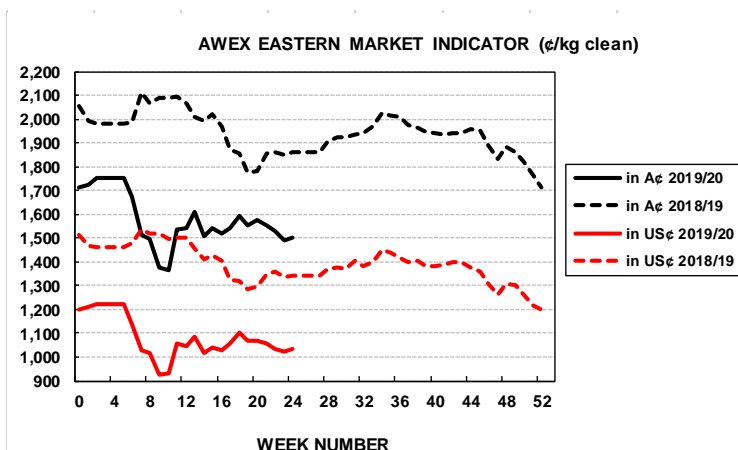
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re-Offered	Bales Sold
North	10,075	9,777	8.0%	7.2%	8.0%	8,999
South	19,735	24,112	10.8%	9.4%	7.9%	21,502
West	7,381	8,653	13.7%	15.5%	11.2%	7,469
Australia	37,191	42,542	10.7%	10.2%	8.6%	37,970

Progressive Changes from Last Year		
All Bales		1 st Time Bales
Bales	%	%
-28,841	-12.9%	-16.6%
-57,549	-14.3%	-17.8%
-5,908	-4.1%	-11.0%
-92,298	-12.0%	-16.2%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 25	Week 26	Week 27	Differences
North	10,400	No Sale	No Sale	
South	20,468	No Sale	No Sale	
West	8,562	No Sale	No Sale	
New Zealand				
Australia	39,430			39,430
Differences				

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	68.39	+0.04	-0.11	-0.03	-0.11	+0.64	+0.43 (+0.6%)	68.82	67.17	70.36
Euro	61.70	-0.10	+0.19	-0.09	-0.22	+0.29	+0.07 (+0.1%)	61.77	60.42	62.48

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to October	
	October 2019	July to October 2019/20	July to October 2018/19	By Weight	By Value
China	78.6%	75.8%	75.6%	-21.2%	-40.2%
Italy	4.7%	6.7%	6.3%	-15.3%	-34.5%
India	5.3%	5.5%	6.6%	-33.6%	-46.3%
Czech Republic	3.1%	3.2%	3.2%	-21.0%	-41.4%
Korea	1.4%	2.1%	2.8%	-41.3%	-52.4%
Egypt	1.2%	1.7%	0.8%	+55.3%	+23.3%
Thailand	1.2%	1.0%	1.1%	-33.8%	-51.3%
Bulgaria	0.8%	0.6%	0.3%	+68.5%	+74.2%
Change all Countries				-21.4%	-39.5%



AVERAGE EMI	
This Year	1548
Last Year	1939
2017/18	1739
2016/17	1408
2015/16	1254

SEASON AVERAGES		
Region	This Year	Diff
North	1575	-407
South	1530	-382
West	1649	-439

THIS YEAR'S EMI	
This Week	1503
First Week	1723
Low (10/01)	1365
High (11/01)	1754

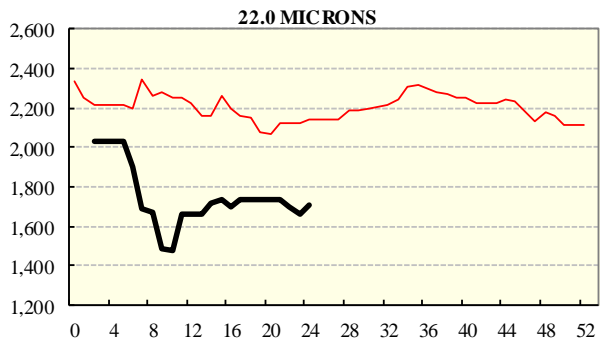
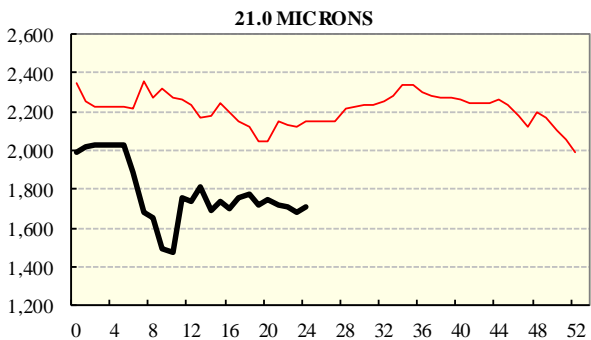
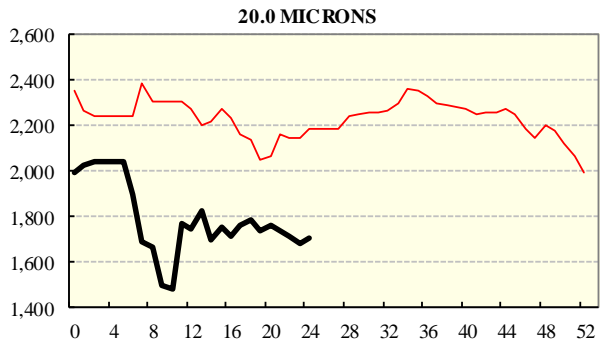
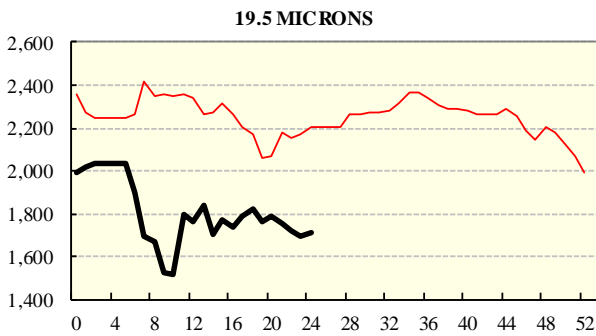
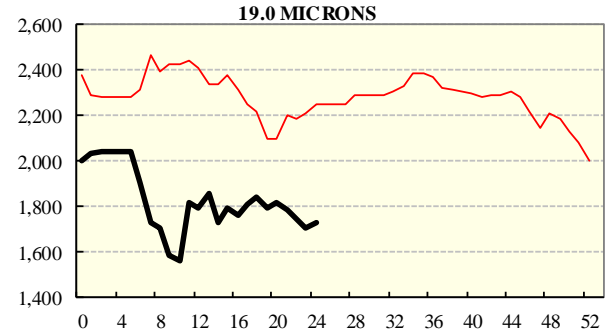
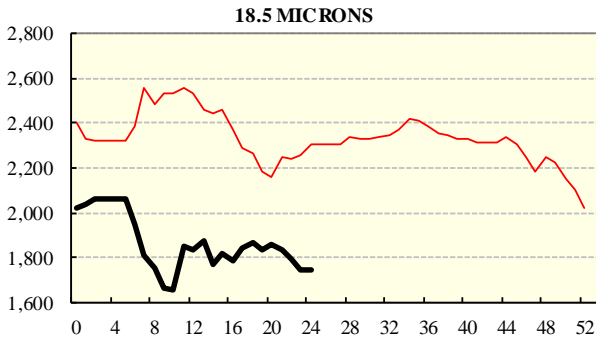
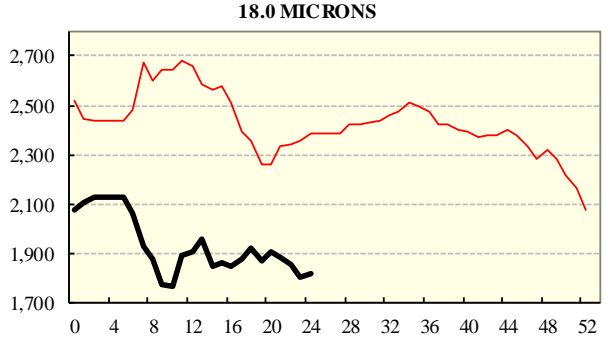
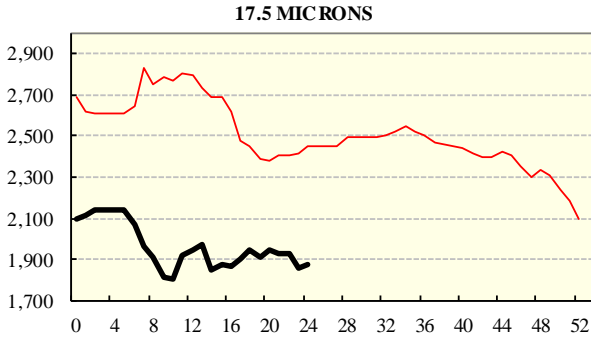
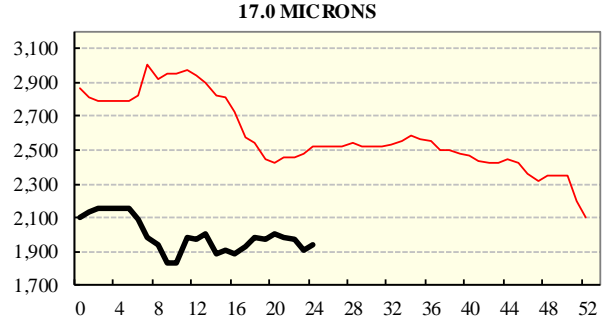
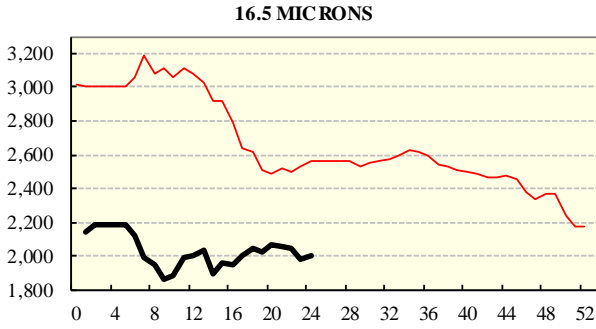
COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1527	-232
South	1488	-237
West	1614	-267

BALES OFFERED	
This Year	675,009
Last Year	767,307
Difference	-92,298
% Diff	-12.0%
FIRST OFFERED BALES	
Difference	-16.2%
% of Offering	89.9%

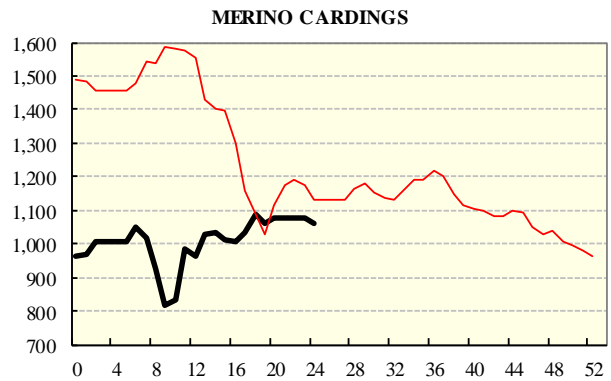
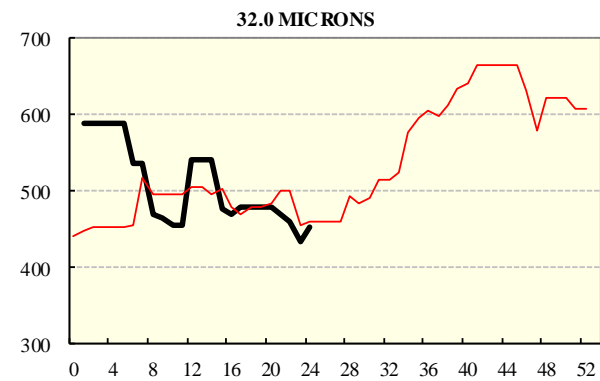
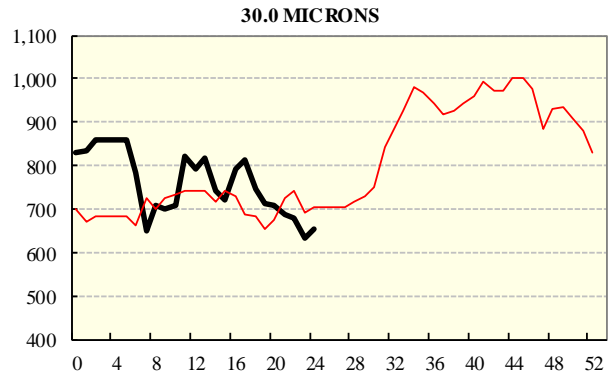
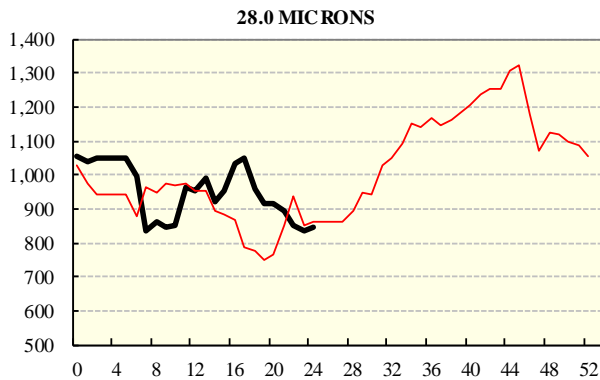
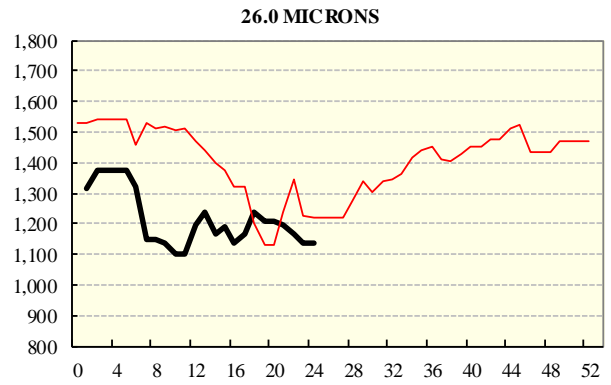
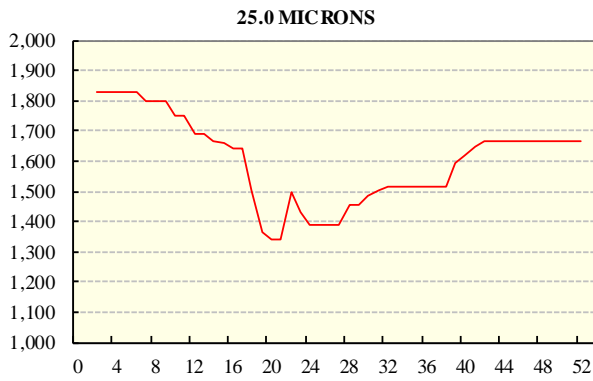
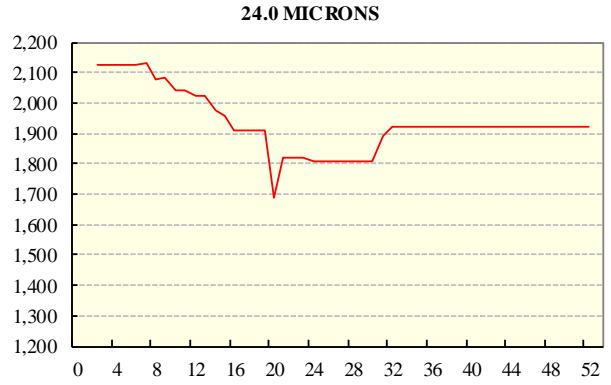
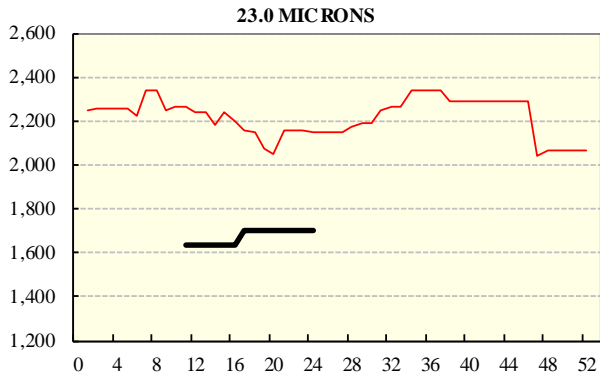
REGION BALES		
This Sale:		
North	9,777	
South	24,112	
West	8,653	
Progressive Totals:		Diff
North	193,942	-12.9%
South	344,283	-14.3%
West	136,784	-4.1%

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)

