

# AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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## AWIS WOOL MARKET REVIEW

**Week Ending 16 August 2019 (Week 07).**

The AWEX EMI finished at 1513¢, 163¢ lower (-9.7%) in Australian currency and 109¢ lower (-9.6%) in US currency at sales in Sydney, Melbourne and Fremantle this week. The total fall in the EMI over the last two sales is 241¢.

35,416 bales were on offer nationally, compared with 41,543 bales last sale. 35.1% of the offering was passed in.

26.6% of Thursday's offering was withdrawn prior to sale after the 112¢ fall in the EMI on Wednesday.

AWEX reports that the value of the wool sold was \$38.6 million (\$1,680 per bale), taking the season total to \$203.5 million (\$1,822 per bale).

The New Zealand Merino Company also offered 1,956 bales in Melbourne on Thursday, of which 51.4% were passed in.

Centre	Last Sale		Day-to-Day Changes (Week 07)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	06	1676	No Sale	-112	-51	-163 (-9.7%)	1513	-109	-92
Northern	06	1704	No Sale	-129	-37	-166 (-9.7%)	1538	-111	-94
Southern	06	1659	No Sale	-105	-56	-1¢61 (-9.7%)	1498	-108	-91
Western	06	1760	No Sale	-94	-68	-162 (-9.2%)	1598	-108	-91

The falls were across all types and micron ranges, with the greatest impact on prices was again being from 18.5 microns and up among the Merinos, and in the Crossbreds. Oddments which went against the trend last week also fell. However, the fall of 29¢ (-2.8%) in the average AWEX Merino Cardings Price Guide was the smallest of the falls.

When looking for comparisons, our records only go back to the establishment of AWIS at beginning of 1999. In that period, the previous greatest sale-to-sale falls were in May 2003 when the EMI fell by 117¢ in Week 44 and by 88¢ in Week 46.

There was no assistance through a fall in the US Exchange Rate as there was when the Global Financial crisis occurred., The US Exchange Rate finished 0.08¢ (0.1%) higher to close at 67.83¢ on Thursday.

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

In other countries, South African sales did not re-open after their mid-year break because of buyers concerns over the impact of the new biosecurity regulations for the resumption of exports to China on exporters' funding requirements.

Looking ahead, offerings for the coming three sales are probably uncertain. They are currently expected to range from 33,696 bales to 37,465 bales and to be 2.1% more 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	165¢	230¢	269¢	270¢	280¢

Market Indicator	Changes From			
	Four Sales Ago Week 52	Start of the Season	Week 07 Last Year	Season Average to Week 07 Last Year
Eastern Market Indicator	-202 (-11.8%)	-226 (-13.0%)	-603 (-28.5%)	-353 (-17.5%)
Western Market Indicator	-234 (-12.8%)	-283 (-15.0%)	-681 (-29.9%)	-400 (-18.3%)

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 ¢	-120	-112	-105	-130	-139	-172	-200	-207	-206	-211		
Change %	-5.7%	-5.3%	-5.1%	-6.3%	-7.1%	-9.0%	-10.6%	-10.9%	-10.9%	-11.1%		
Since Start of the Season												
Change ¢	-166	-162	-160	-189	-240	-307	-335	-342	-344	-341		
Change %	-7.7%	-7.6%	-7.5%	-8.9%	-11.7%	-15.1%	-16.5%	-16.9%	-17.0%	-16.8%		
Since Same Week Last Year												
Change ¢	-1193	-1025	-863	-743	-742	-737	-721	-698	-675	-650		
Change %	-37.4%	-34.1%	-30.5%	-27.8%	-29.1%	-29.9%	-29.8%	-29.3%	-28.7%	-27.7%		

Micron	25.0	26.0	28.0	30.0	32.0	MC#
Since Last Sale						
Change ¢		-170	-164	-134		-29
Change %		-12.9%	-16.4%	-17.1%		-2.8%
Since Start of the Season						
Change ¢		-196	-212	-198		+32
Change %		-14.6%	-20.3%	-23.3%		+3.2%
Since Same Week Last Year						
Change ¢		-383	-131	-73		-524
Change %		-25.0%	-13.6%	-10.1%		-34.0%

# Average Merino Cardings Price Guide

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## AWIS WOOL MARKET REVIEW Week Ending 16 August 2019 (Week 07)

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.

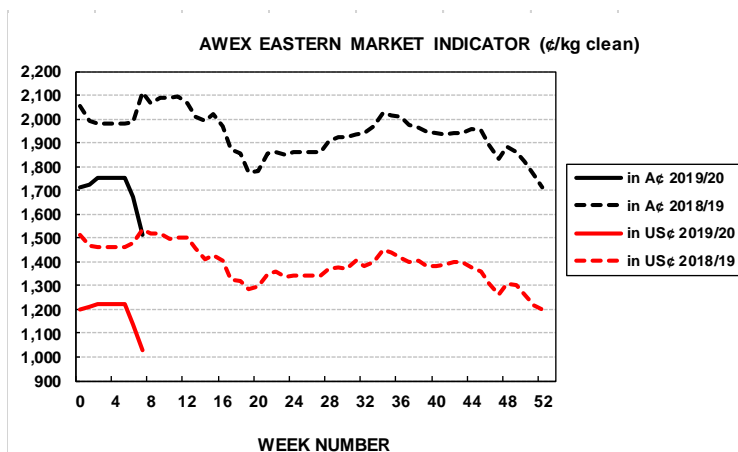
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re-Offered	Bales Sold
North	13,059	13,052	34.5%	9.0%	6.1%	8,546
South	21,125	15,435	30.5%	19.6%	5.8%	10,726
West	7,359	6,929	46.6%	25.6%	10.7%	3,698
<b>Australia</b>	<b>41,543</b>	<b>35,416</b>	<b>35.1%</b>	<b>17.4%</b>	<b>6.9%</b>	<b>22,970</b>

Progressive Changes from Last Year		
All Bales		1 <sup>st</sup> Time Bales
Bales	%	%
-10,564	-17.3%	-19.0%
-18,872	-22.6%	-26.1%
+1,323	+5.1%	-0.5%
<b>-28,113</b>	<b>-16.5%</b>	<b>-19.9%</b>

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 08	Week 09	Week 10	Differences
North	11,194	8,925	10,260	<b>-4.6%</b>
South	22,502	17,386	19,755	<b>+9.5%</b>
West	No Sale	8,394	7,450	<b>-9.1%</b>
New Zealand		1,500		
<b>Australia</b>	<b>33,696</b>	<b>34,705</b>	<b>37,465</b>	<b>105,866</b>
<b>Differences</b>	<b>+13.5%</b>	<b>-3.6%</b>	<b>-1.5%</b>	<b>+2.1%</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	67.75	+0.35	-0.24	-0.22	+0.24	-0.05	+0.08 (+0.1%)	67.83	67.75	70.36
Euro	60.42	+0.40	-0.29	-0.10	+0.36	+0.05	+0.42 (+0.7%)	60.84	60.42	62.36

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change	
	June 2019	July to June 2018/19	July to June 2017/20	By Weight	By Value
China	81.1%	78.0%	78.9%	-14.6%	-2.4%
India	5.4%	5.8%	5.9%	-15.6%	-5.1%
Italy	1.5%	4.6%	4.0%	+0.5%	+11.3%
Czech Republic	4.0%	3.6%	5.3%	-41.3%	-33.2%
Korea	2.1%	2.4%	1.4%	+52.8%	+70.1%
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	1667
Last Year	1939
2017/18	1739
2016/17	1408
2015/16	1254

SEASON AVERAGES		
Region	This Year	Diff
North	1690	-292
South	1652	-261
West	1780	-309

THIS YEAR'S EMI	
This Week	1513
First Week	1723
Low (0/01)	1513
High (0/01)	1754

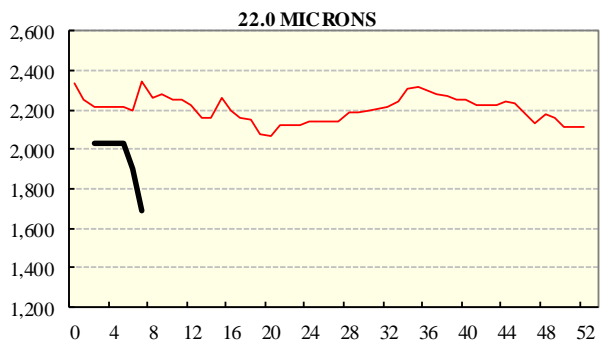
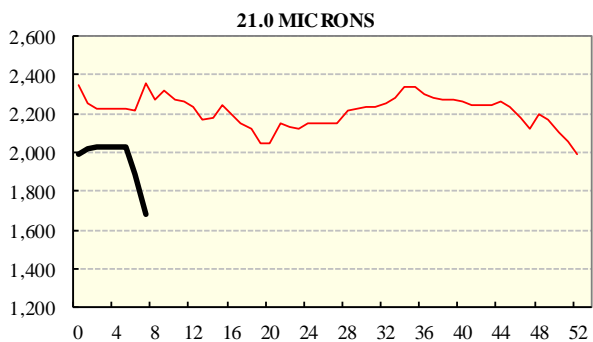
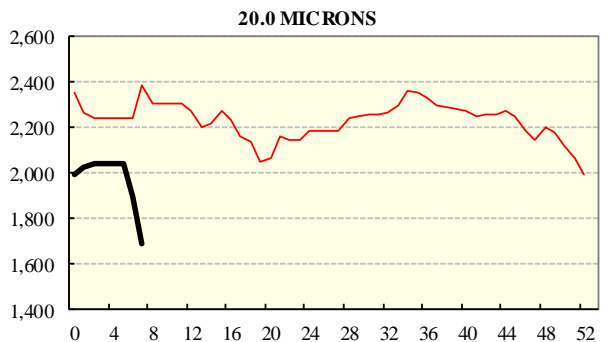
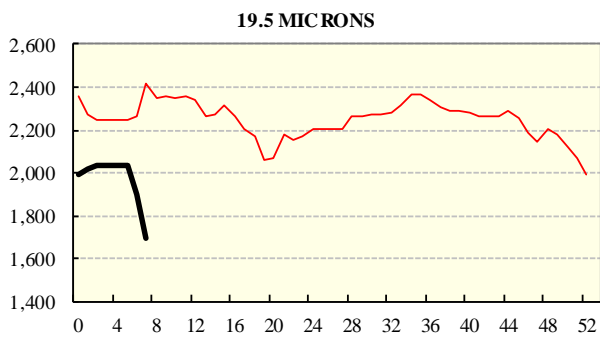
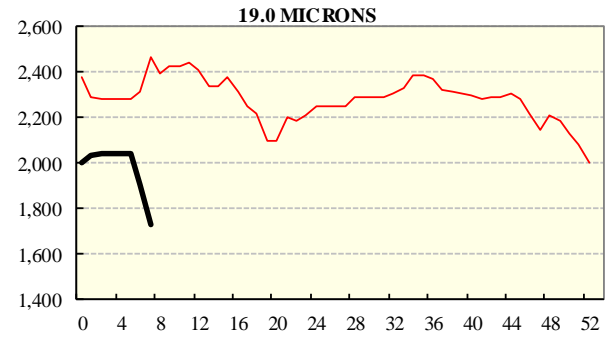
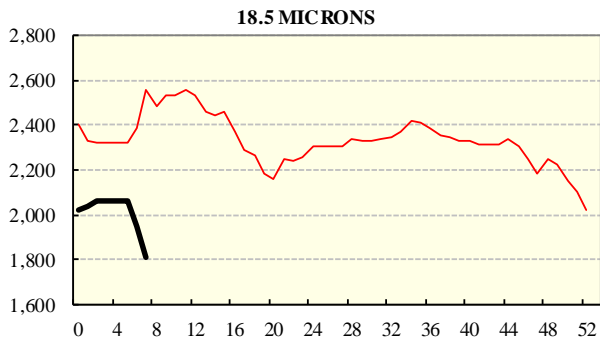
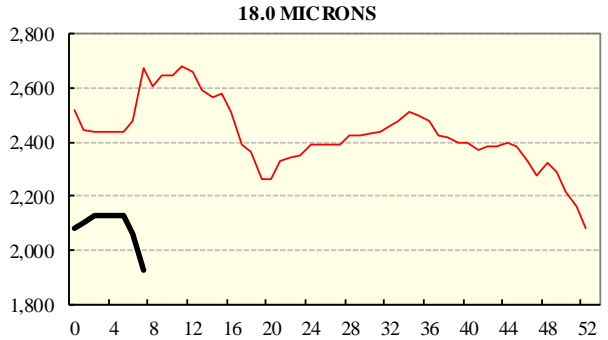
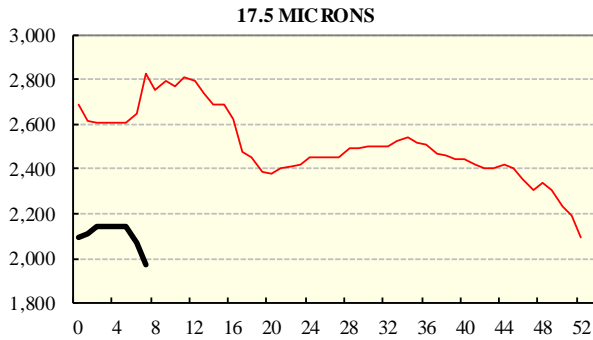
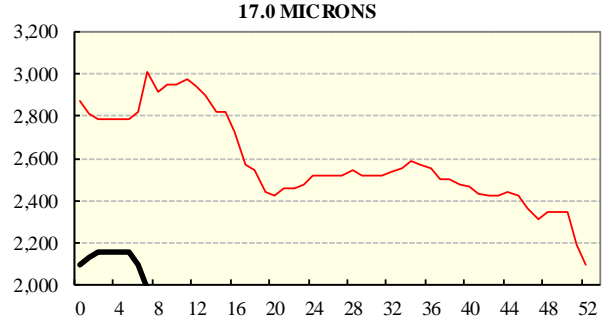
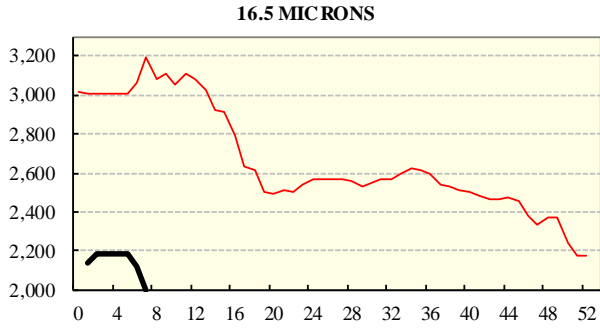
COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1538	-221
South	1498	-227
West	1598	-283

BALES OFFERED	
This Year	142,028
Last Year	170,141
Difference	-28,113
% Diff	-16.5%
FIRST OFFERED BALES	
Difference	-19.9%
% of Offering	91.7%

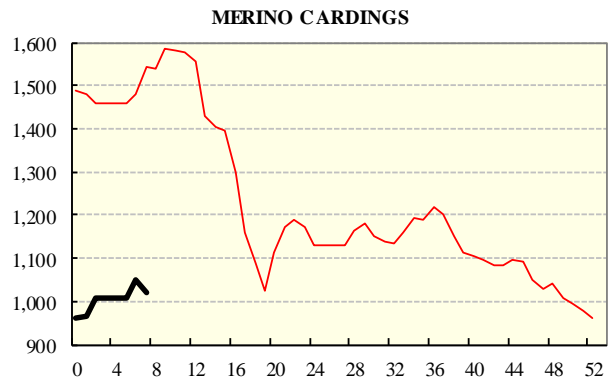
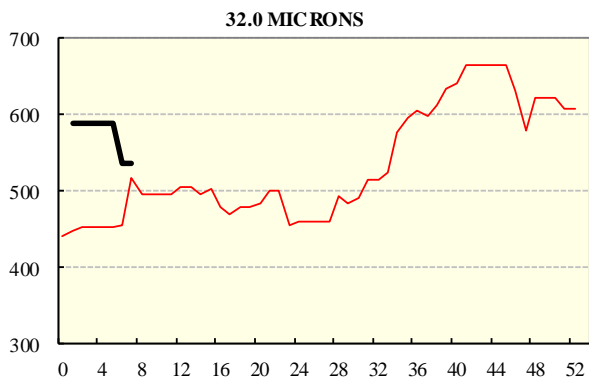
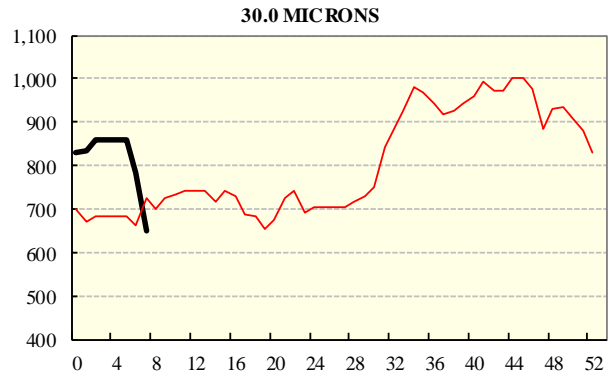
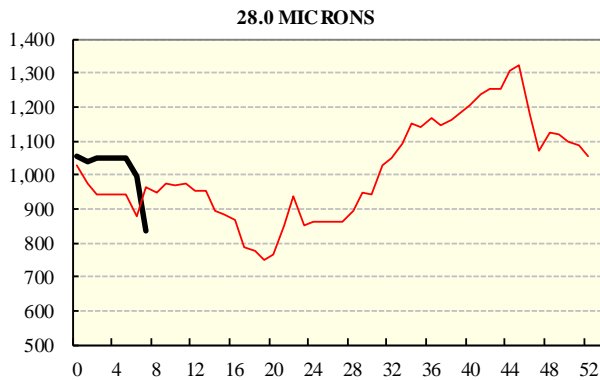
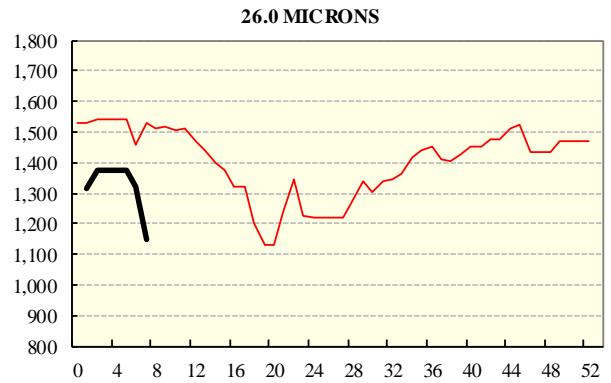
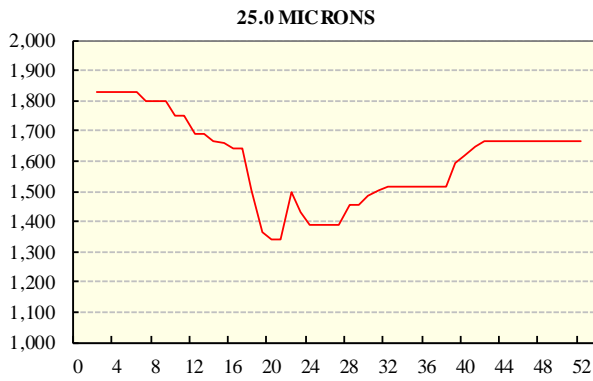
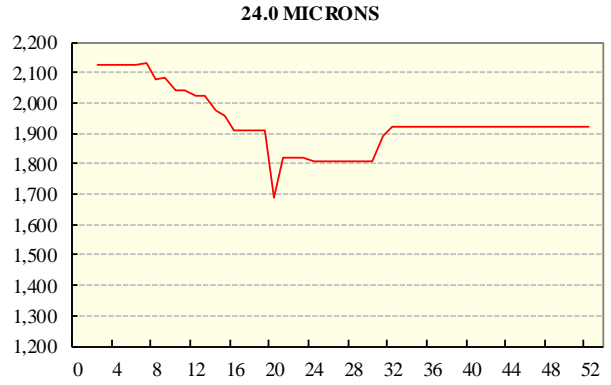
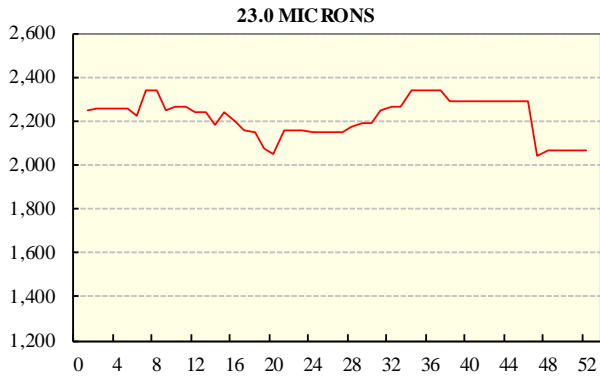
REGION BALES		
This Sale:		
North	13,052	
South	15,435	
West	6,929	
Progressive Totals:		Diff
North	50,369	-17.3%
South	64,591	-22.6%
West	27,068	+5.1%

## 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)

