

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW

Week Ending 17 January 2020 (Week 29).

The AWEX EMI finished 51¢ higher (+3.3%) in Australian currency and 44¢ higher (+4.1%) in US currency at sales in Sydney, Melbourne and Fremantle in Week 29.

52,261 bales were on offer nationally, compared with 34,776 bales last sale. It was the largest sale so far this season. 10.5% of the offering was passed in after 4.4% of the potential offering was withdrawn prior to sale.

AWEX reports that the value of the wool sold was \$81.0 million (\$1,731 per bale), taking the season total to \$1.116 billion (\$1,719 per bale). The number of bales sold at auction this season is now 12.1% less than in 2018/19.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 29)

Centre	Last Sale		Day-to-Day Changes (Week 29)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	25	1558	+79	+6	-34	+51 (+3.3%)	1609	+44	+39
Northern	25	1599	+81	-2	No Sale	+79 (+4.9%)	1678	+64	+56
Southern	25	1533	+77	+10	-54	+33 (+2.2%)	1566	+33	+27
Western	25	1671	No Sale	+48	-32	+16 (+1.0%)	1687	+21	+17

The market carried on from the strong finish seen prior to Christmas when the EMI moved up from the start of selling on Tuesday and finished the day up by another 79¢. This was followed by a relatively unchanged market in the East on Wednesday, and by falls on Thursday.

The changes in the market were reflected in increases in both the Withdrawn and Passed-In Rates as the week progressed. Attempts to analyse the individual price movements is more difficult this week given the different movements on different days; and not all centres sold on the same days. Overall, the Merinos did best, based on a strong selling day on Tuesday. Crossbreds did less well; particularly due to sharp falls on Thursday when 27.6% of the offering was passed in.

The US Exchange Rate finished 0.61¢ (0.9%) higher to close at 69.07¢ on Thursday.

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

Looking ahead, offerings for the coming three sales are expected to range from 38,025 bales to 59,890 bales and to be 17.0% more than in the same period last year. The forecast progressive difference to Week 32 is -8.5%.

The 59,890 bales forecast for Week 30 will be the biggest sale of the season unless a large number of bales are withdrawn in response to Thursday's fall in the market.

Next Saturday 25 January is Chinese New 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	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 22	Start of the Season	Week 29 Last Year	Season Average to Week 29 Last Year
Eastern Market Indicator	+79 (+5.2%)	-130 (-7.5%)	-314 (-16.3%)	-407 (-20.8%)
Western Market Indicator	+47 (+2.9%)	-194 (-10.3%)	-418 (-19.9%)	-457 (-21.7%)

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 ¢	+107	+93	+77	+67	+73	+28	+25	+22	+10			
Change %	+5.2%	+4.7%	+4.0%	+3.6%	+4.0%	+1.6%	+1.4%	+1.2%	+0.6%			
Since Start of the Season												
Change ¢	+13	-54	-113	-165	-165	-211	-222	-227	-238			
Change %	+0.6%	-2.5%	-5.3%	-7.8%	-8.0%	-10.4%	-10.9%	-11.2%	-11.8%			
Since Same Week Last Year												
Change ¢	-356	-426	-477	-471	-444	-465	-459	-446	-444			
Change %	-14.1%	-16.9%	-19.1%	-19.4%	-19.0%	-20.3%	-20.2%	-19.8%	-19.9%			

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 ¢			+2	-48	-18	+41
Change %			+0.2%	-5.3%	-2.5%	+3.8%
Since Start of the Season						
Change ¢			-170	-179	-154	+124
Change %			-12.6%	-17.1%	-18.2%	+12.6%
Since Same Week Last Year						
Change ¢			-166	-82	-35	-69
Change %			-12.4%	-8.6%	-4.8%	-5.8%

MC Average Merino Cardings Price Guide

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AWIS WOOL MARKET REVIEW Week Ending 17 January 2020 (Week 29)

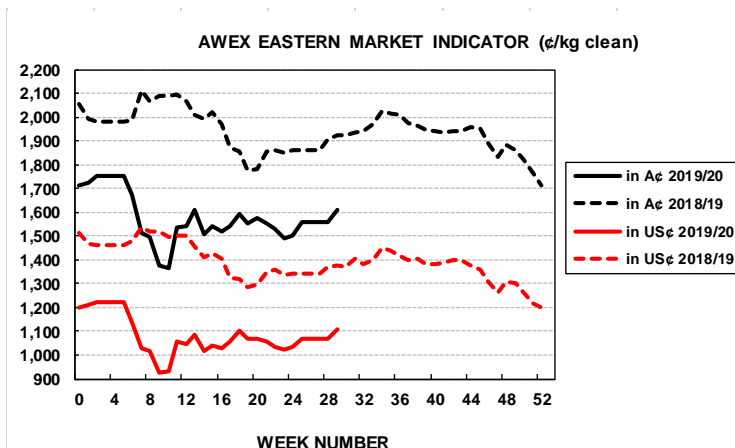
The following tables show the details of this week's sale offering; the expected offerings over the next three sales; the changes in Exchange Rates since the previous sale; and highlights from the November ABS export data.

Details of this Week's Offering and the Comparison with the Previous Sale's Offering							Progressive Changes from Last Year		
Centre	Last Sale	This Sale					All Bales		1 st Time Bales
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re-Offered	Bales Sold	Bales	%	%
North	9,339	11,086	3.7%	2.2%	6.9%	10,673	-32,308	-13.1%	-16.6%
South	18,517	27,393	8.4%	2.7%	6.3%	25,087	-64,888	-14.3%	-17.6%
West	6,920	13,782	20.0%	9.1%	12.8%	11,029	-7,361	-4.5%	-11.1%
Australia	34,776	52,261	10.5%	4.4%	8.2%	46,789	-104,557	-12.1%	-16.1%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 30	Week 31	Week 32	Differences
North	15,985	10,800	9,700	+22.1%
South	30,297	23,663	20,125	+18.8%
West	13,608	8,600	8,200	+7.7%
New Zealand				
Australia	59,890	43,063	38,025	140,978
Differences	+43.4%	+10.9%	-4.7%	+17.0%

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	68.46	+0.27	+0.41	-0.12	-0.03	+0.08	+0.61 (+0.9%)	69.07	67.17	70.36
Euro	61.50	+0.37	+0.26	-0.16	-0.01	-0.02	+0.44 (+0.7%)	61.94	60.42	62.48

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change	
	November 2019	July to November 2019/20	July to November 2018/19	By Weight	By Value
China	80.5%	77.0%	74.0%	-12.3%	-32.8%
Italy	3.8%	6.0%	6.4%	-20.9%	-37.6%
India	6.6%	5.8%	7.1%	-30.8%	-45.2%
Czech Republic	2.8%	3.1%	3.8%	-30.4%	-47.7%
Korea	1.7%	2.0%	2.8%	-40.0%	-50.7%
Egypt	0.4%	1.4%	1.0%	+19.9%	-6.5%
Thailand	0.8%	0.9%	1.2%	-32.6%	-51.6%
Taiwania	0.9%	0.6%	0.8%	-32.1%	-52.9%
Change all Countries				-15.8%	-35.1%



AVERAGE EMI	
This Year	1551
Last Year	1939
2017/18	1739
2016/17	1408
2015/16	1254

SEASON AVERAGES		
Region	This Year	Diff
North	1580	-402
South	1532	-381
West	1652	-437

THIS YEAR'S EMI	
This Week	1609
First Week	1723
Low (10/01)	1365
High (11/01)	1754

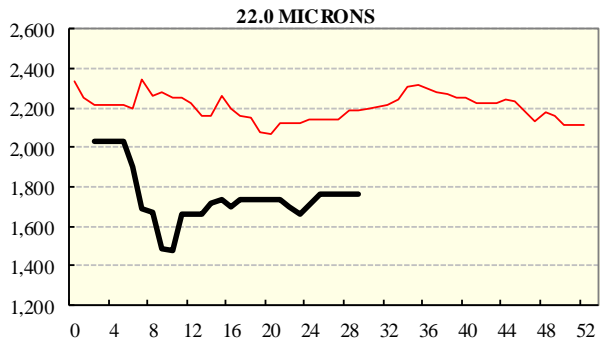
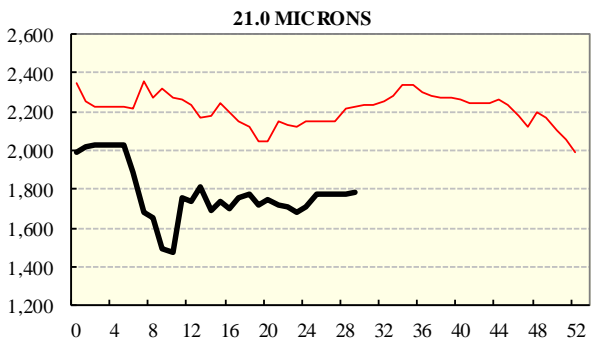
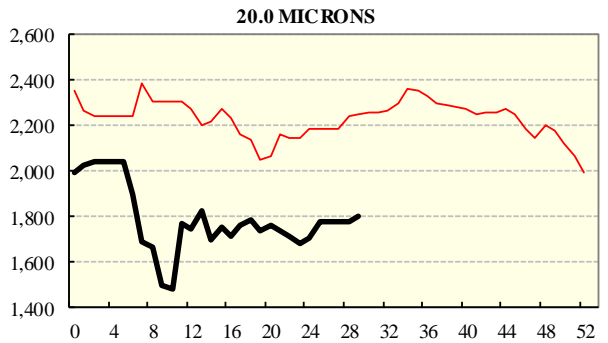
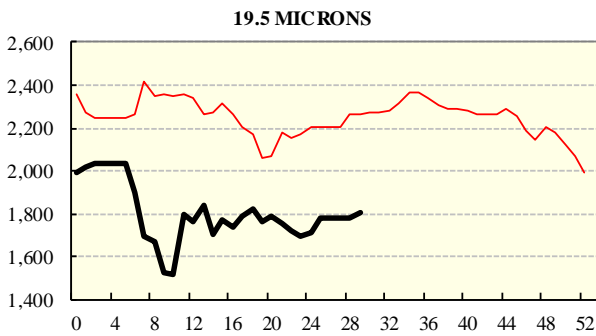
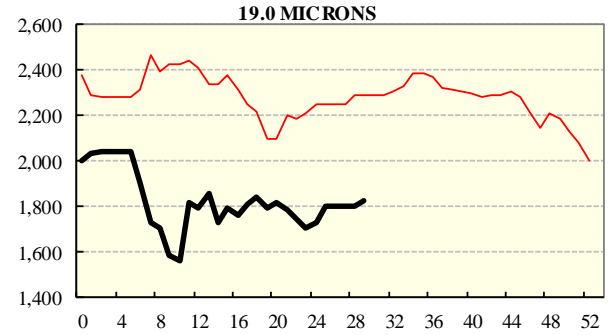
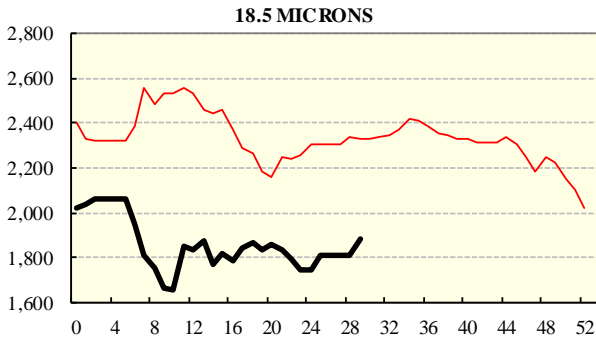
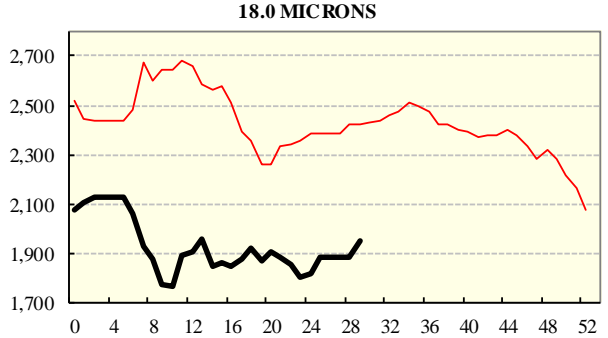
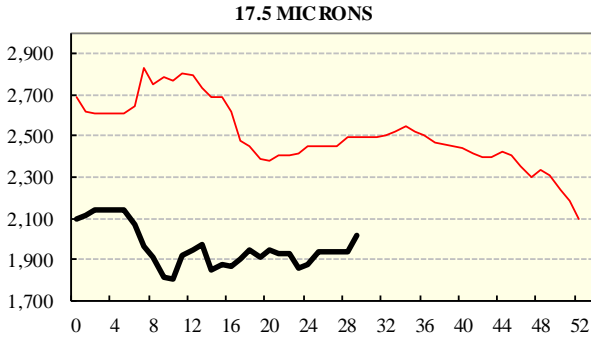
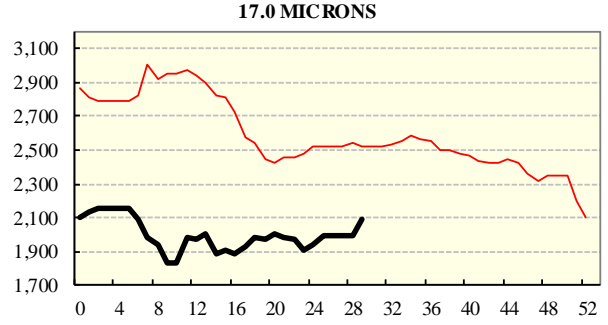
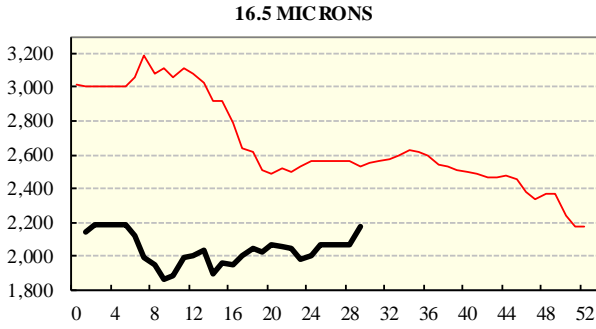
COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1678	-81
South	1566	-159
West	1687	-194

BALES OFFERED	
This Year	762,046
Last Year	866,603
Difference	-104,557
% Diff	-12.1%
FIRST OFFERED BALES	
Difference	-16.1%
% of Offering	90%

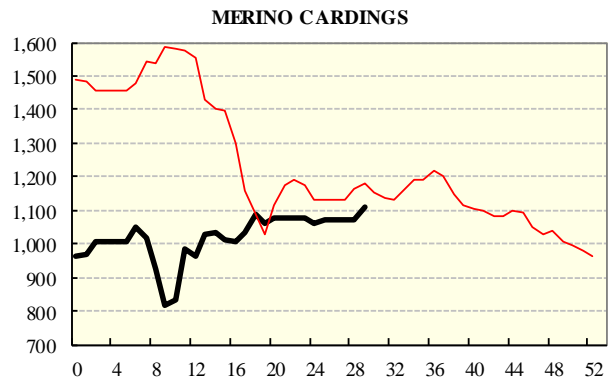
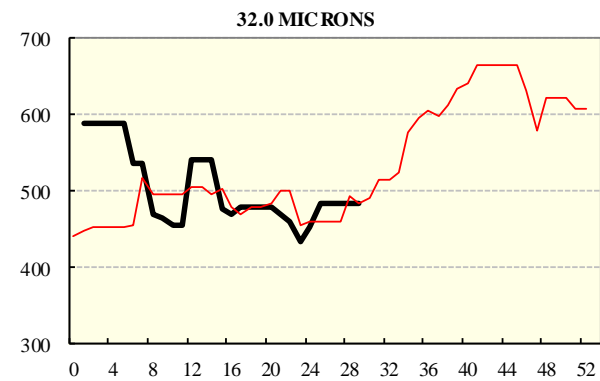
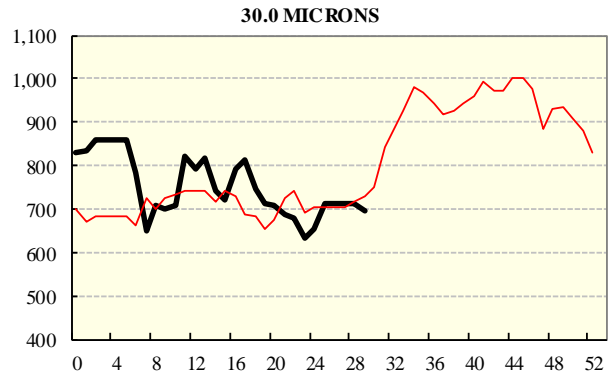
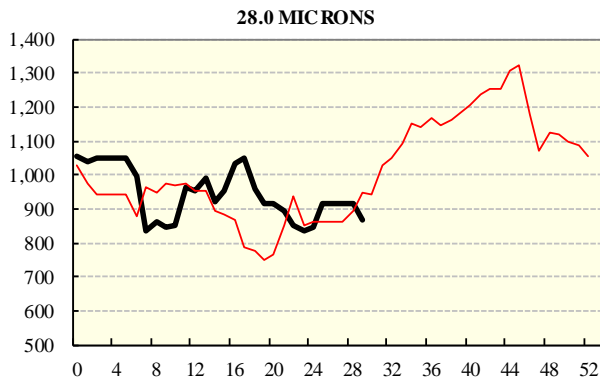
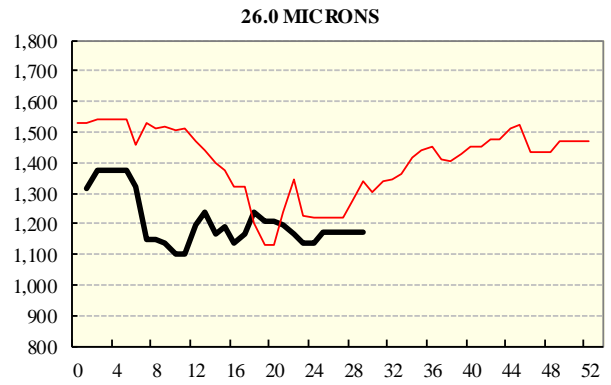
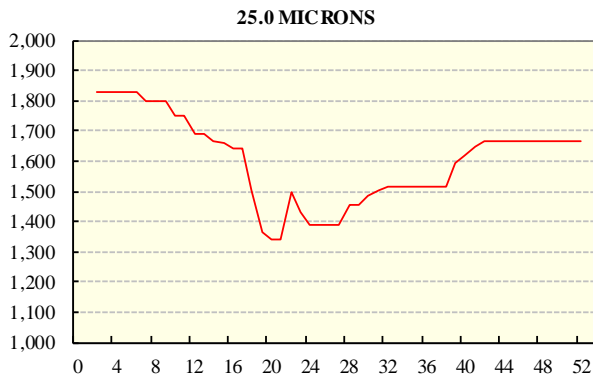
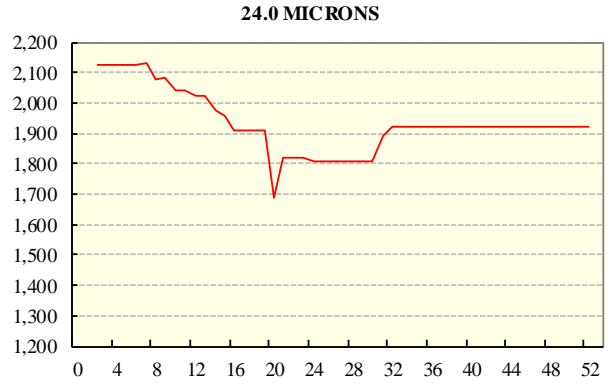
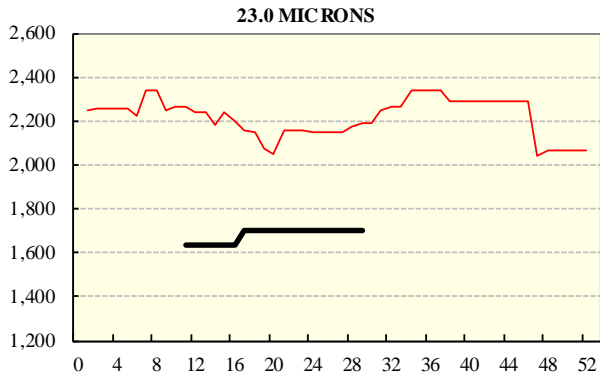
REGION BALES		
This Sale:		
North	11,086	
South	27,393	
West	13,782	
Progressive Totals:		Diff
North	214,367	-13.1%
South	390,193	-14.3%
West	157,486	-4.5%

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)

