

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW

Week Ending 21 February 2020 (Week 34)

The AWEX EMI finished 13¢ higher (+0.8%) in Australian currency and 3¢ lower (-0.3%) in US currency at sales in Sydney, Melbourne and Fremantle in Week 34.

The fall in the \$A helped. However, it was a good week for the wool market at a time of ongoing uncertainty.

39,018 bales were on offer nationally, compared with 40,176 bales last sale. 11.3% of the offering was passed in after 7.5% of the potential offering was withdrawn prior to sale.

AWEX reports that the value of the wool sold was \$61.3 million (\$1,771 per bale), taking the season total to \$1.386 billion (\$1,710 per bale). The number of bales sold at auction this season is now 16.5% less than in 2018/19.

The New Zealand Merino Company also offered 1,873 bales in Melbourne on Tuesday, of which 10.3% were passed in.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 34)									
Centre	Last Sale		Day-to-Day Changes (Week 34)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	33	1568	No Sale	+6	+7	+13 (+0.8%)	1581	-3	+5
Northern	33	1604	No Sale	+8	+6	+14 (+0.9%)	1618	-2	+4
Southern	33	1546	NZM only	+4	+8	+12 (+0.8%)	1558	-3	+3
Western	33	1667	No Sale	+20	+23	+43 (+2.6%)	1710	+17	+22

There was good competition that led to gains across all AWEX Merino, and the 26 and 28 Micron crossbred, Price Guides on both Wednesday and Thursday.

The US Exchange Rate finished 0.69¢ (-1.0%) lower to close at 66.50¢ on Thursday, after further speculation about another cut in interest rates. It is now at its lowest closing level for the season and under 67¢ for the first time.

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

In other countries, the South African Cape Wools Indicator was up by 2.0% since last week against a 1.2% depreciation of the Rand against the US Dollar and a 0.4% depreciation against the Euro.

Looking ahead, offerings for the coming three sales are expected to range from 34,933 bales to 44,091 bales and to be 14.7% less than in the same period last year. The forecast progressive difference to Week 37 is -10.7%.

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	94¢	174¢	244¢	289¢	380¢

Market Indicator	Changes From			
	Four Sales Ago Week 30	Start of the Season	Week 34 Last Year	Season Average to Week 34 Last Year
Eastern Market Indicator	+5 (+0.3%)	-158 (-9.1%)	-446 (-22.0%)	-404 (-20.6%)
Western Market Indicator	+25 (+1.5%)	-171 (-9.1%)	-451 (-20.9%)	-451 (-21.4%)

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 ¢	+19	+24	+26	+16	+21	+23	+25	+24	+33			
Change %	+0.9%	+1.2%	+1.3%	+0.8%	+1.1%	+1.3%	+1.4%	+1.3%	+1.9%			
Since Start of the Season												
Change ¢	+3	-64	-115	-163	-175	-196	-204	-217	-229	-245		
Change %	+0.1%	-3.0%	-5.4%	-7.7%	-8.5%	-9.6%	-10.0%	-10.7%	-11.3%	-12.0%		
Since Same Week Last Year												
Change ¢	-461	-505	-533	-557	-539	-543	-542	-548	-544	-517		
Change %	-17.5%	-19.5%	-20.9%	-22.2%	-22.3%	-22.8%	-22.9%	-23.2%	-23.3%	-22.4%		

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 ¢			+7	+23	-3	-7
Change %			+0.6%	+2.7%	-0.5%	-1.7%
Since Start of the Season						
Change ¢			-196	-157	-190	-181
Change %			-14.6%	-15.0%	-22.4%	-30.7%
Since Same Week Last Year						
Change ¢			-269	-261	-321	-168
Change %			-19.0%	-22.7%	-32.8%	-29.2%

MC Average Merino Cardings Price Guide

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AWIS WOOL MARKET REVIEW Week Ending 21 February 2020 (Week 34)

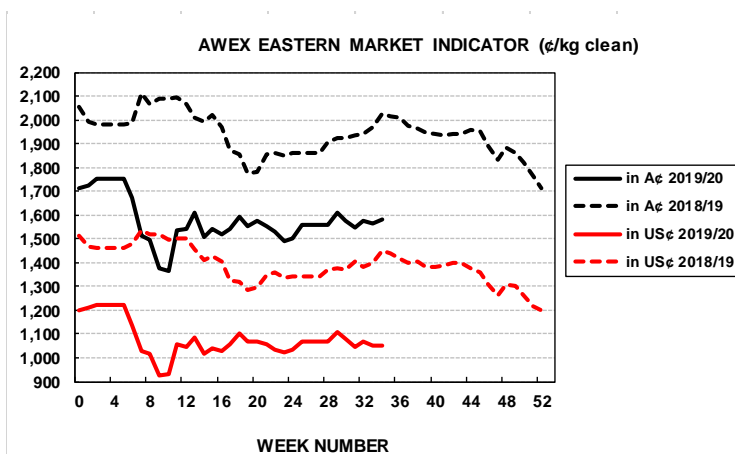
The following tables show the details of this week's sale offering; the expected offerings over the next three sales; the changes in Exchange Rates since the previous sale; and highlights from the December ABS export data.

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	7,922	7,793	7.0%	4.0%	13.8%	7,245	-30,918	-10.5%	-14.2%
South	21,474	18,983	12.3%	9.7%	10.6%	16,647	-73,898	-13.1%	-16.1%
West	10,780	12,242	12.5%	6.2%	13.0%	10,715	-4,233	-2.0%	-7.5%
Australia	40,176	39,018	11.3%	7.5%	12.0%	34,607	-109,049	-10.2%	-13.9%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 35	Week 36	Week 37	Differences
North	11,188	7,796	8,630	-12.8%
South	21,754	18,385	18,925	-19.4%
West	11,149	8,752	8,400	-5.4%
New Zealand				
Australia	44,091	34,933	35,955	114,979
Differences	-9.9%	-22.6%	-11.8%	-14.7%

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	67.19	0.00	+0.06	-0.33	+0.04	-0.46	-0.69 (-1.0%)	66.50	66.50	70.36
Euro	61.82	+0.20	+0.03	-0.26	+0.22	-0.43	-0.24 (-0.4%)	61.58	60.42	62.48

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to December	
	December 2019	July to December 2019/20	July to December 2018/19	By Weight	By Value
China	76.1%	76.8%	74.7%	-12.9%	-32.4%
India	7.6%	6.2%	6.7%	-22.2%	-37.0%
Italy	5.1%	5.8%	6.1%	-19.3%	-37.0%
Czech Republic	3.0%	3.1%	3.8%	-30.2%	-48.6%
Korea	2.5%	2.1%	3.0%	-35.6%	-46.8%
Egypt	1.1%	1.3%	0.9%	+21.9%	-5.2%
Thailand	1.0%	0.9%	1.1%	-25.4%	-47.5%
Taiwan	0.8%	0.6%	0.8%	-28.2%	-49.8%
Change all Countries				-15.4%	-34.1%



AVERAGE EMI	
This Year	1554
Last Year	1939
2017/18	1739
2016/17	1408
2015/16	1254

SEASON AVERAGES		
Region	This Year	Diff
North	1585	-397
South	1535	-378
West	1659	-429

THIS YEAR'S EMI	
This Week	1581
First Week	1723
Low (10/01)	1365
High (11/01)	1754

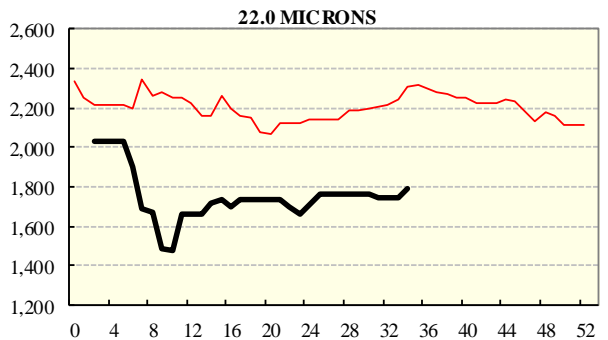
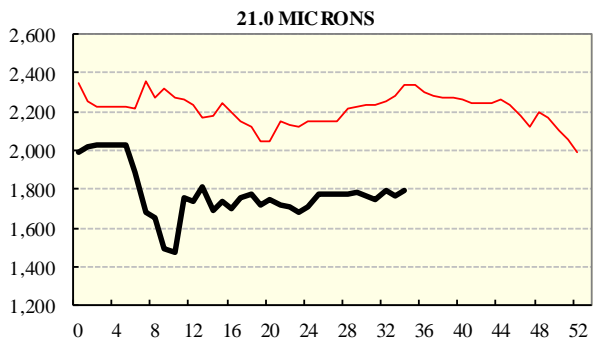
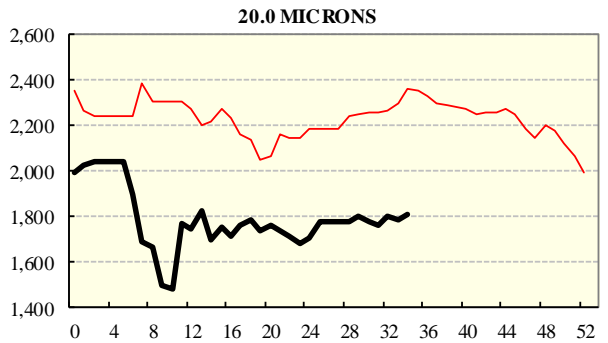
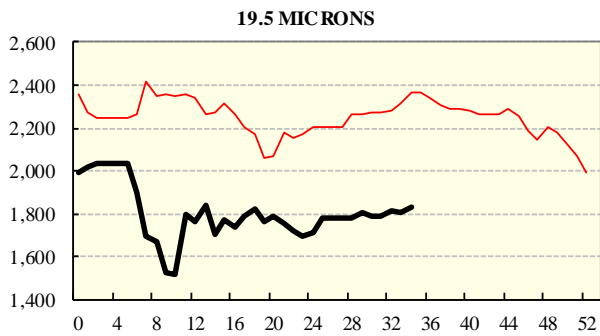
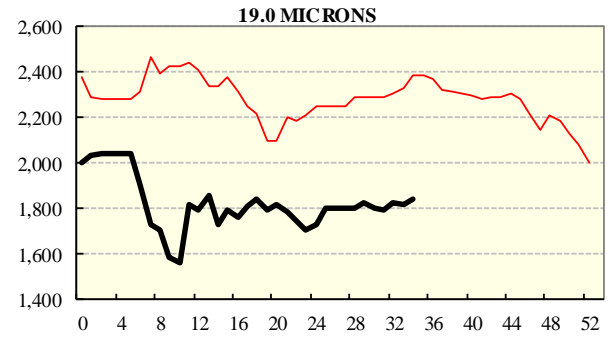
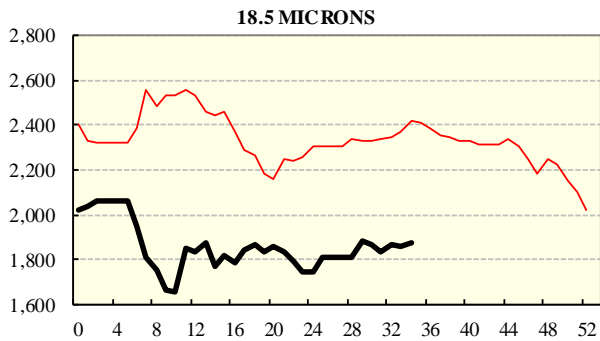
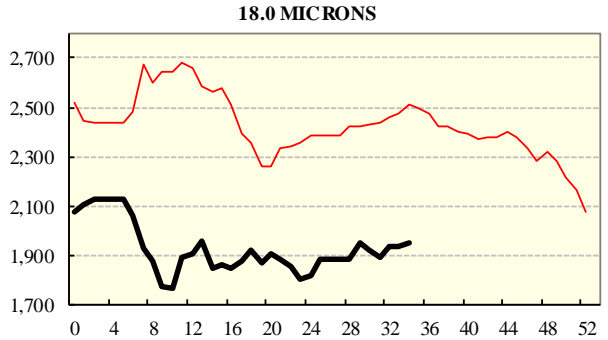
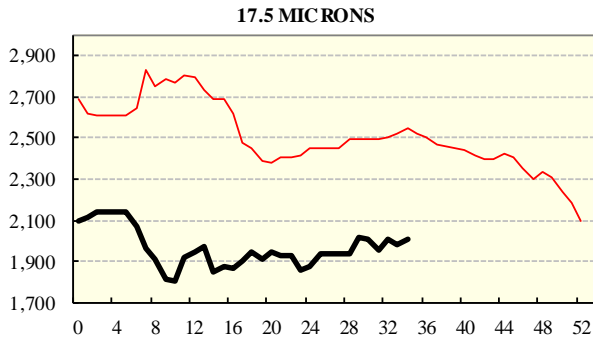
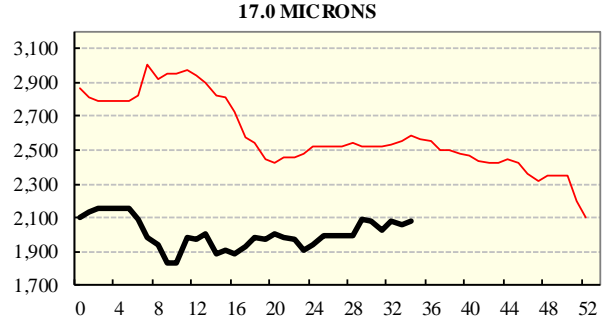
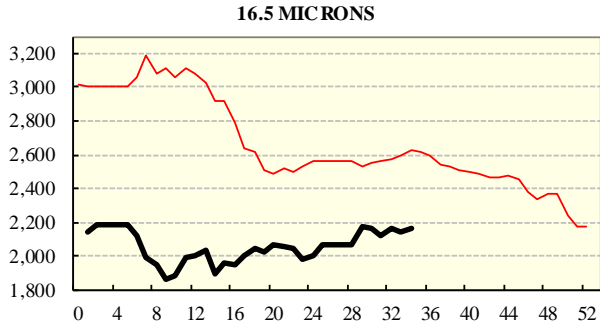
COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1618	-141
South	1558	-167
West	1710	-171

BALES OFFERED	
This Year	958,168
Last Year	1,067,217
Difference	-109,049
% Diff	-10.2%
FIRST OFFERED BALES	
Difference	-13.9%
% of Offering	90%

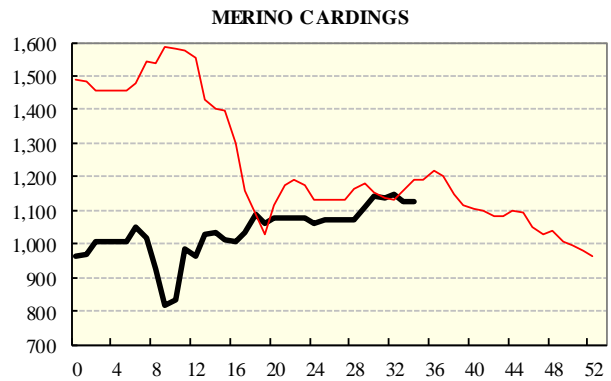
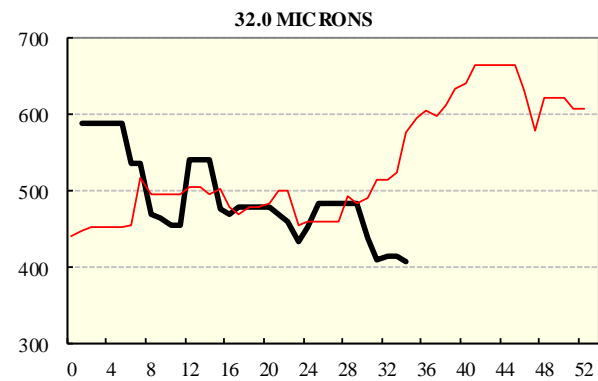
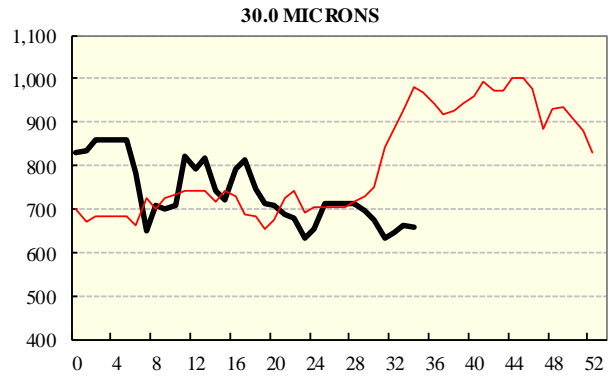
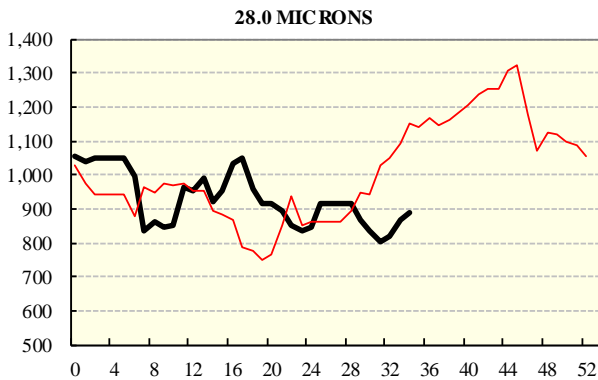
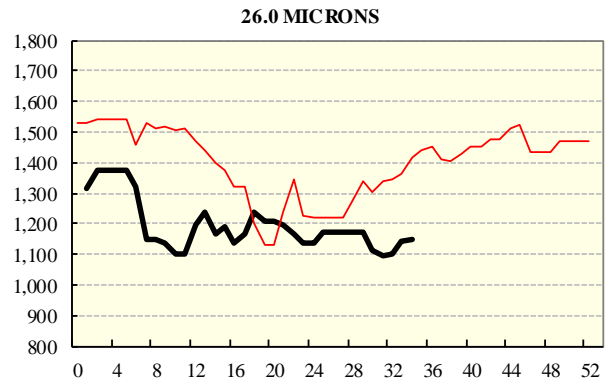
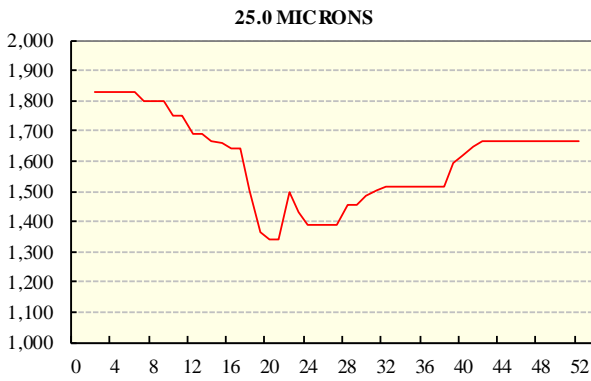
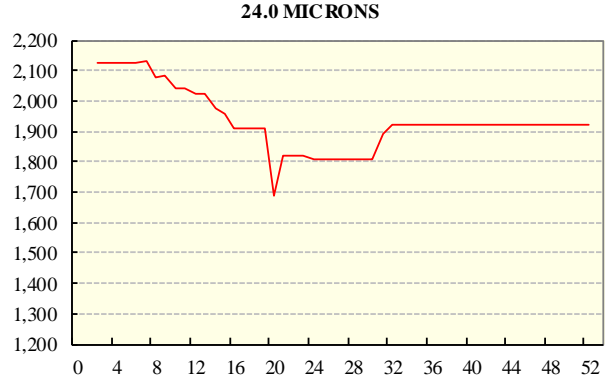
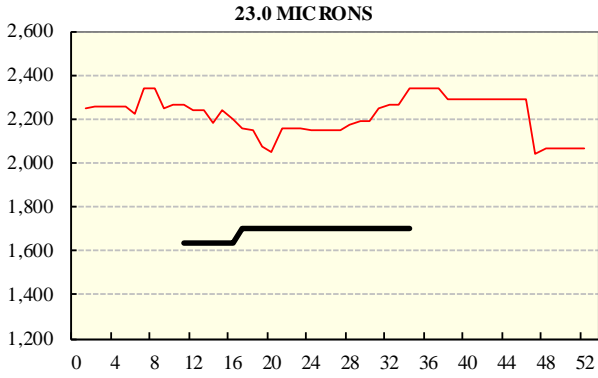
REGION BALES		
This Sale:		
Region	This Week	Diff
North	7,793	
South	18,983	
West	12,242	
Progressive Totals:		Diff
North	262,254	-10.5%
South	488,689	-13.1%
West	207,225	-2.0%

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)

