

# AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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## AWIS WOOL MARKET REVIEW

Week Ending 23 August 2019 (Week 08).

The AWEX EMI finished at 1497¢, 16¢ lower (-1.1%) in Australian currency and 11¢ lower (-1.1%) in US currency at sales in Sydney and Melbourne this week.

26,495 bales were on offer nationally, compared with 35,416 bales last sale. The Pass-In rate of 15.9% and the Withdrawn Rate of 4.8% were much more moderate this week.

AWEX reports that the value of the wool sold was \$37.0 million (\$1,661 per bale), taking the season total to \$240.5 million (\$1,793 per bale).

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 08)									
Centre	Last Sale		Day-to-Day Changes (Week 08)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	07	1513	-5	-11	No Sale	-16 (-1.1%)	1497	-11	-6
Northern	07	1538	-8	-9	No Sale	-17 (-1.1%)	1521	-12	-7
Southern	07	1498	-4	-17	No Sale	-21 (-1.4%)	1477	-14	-8
Western	07	1598	No Sale	No Sale	No Sale				

The market settled after the two previous sales when the EMI lost 78¢ and 163¢, respectively. This week's improvement and stronger demand came after reports of business being done before the sale.

Changes in the average AWEX Merino Price Guides averaged around -1.5% for wools of 19.0 microns and broader; and around -2.5% for wools of 18.0 microns and finer. A limited quantity of crossbreds finished in positive territory. However, Oddments eased sharply, with the average AWEX Merino Cardings Price Guide finishing down by 94¢ (-9.2%).

The US Exchange Rate was steady during the week, before finishing 0.02¢ (0.0%) lower to close at 67.81¢ on Wednesday.

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

Sales are now scheduled to re-commence in South Africa on 3<sup>rd</sup> September following a decision to heat areas where bales are stored in warehouses. FMD virus is de-activated more quickly as the temperature rises; which allows a shortening of the time required before wool can be shipped.

Looking ahead, offerings for the coming three sales are expected to range from 33,766 bales to 36,025 bales and to be 3.0% less than in the same period last year. The forecast progressive difference to Week 11 is -11.2%.

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	112¢	185¢	229¢	248¢	253¢

Market Indicator	Changes From			
	Four Sales Ago Week 01	Start of the Season	Week 08 Last Year	Season Average to Week 08 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%)

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 ¢	-44	-44	-52	-54	-58	-29	-23	-23	-23	-18		
Change %	-2.2%	-2.2%	-2.6%	-2.8%	-3.2%	-1.7%	-1.4%	-1.4%	-1.4%	-1.1%		
Since Start of the Season												
Change ¢	-210	-206	-212	-243	-298	-336	-358	-365	-367	-359		
Change %	-9.7%	-9.6%	-10.0%	-11.5%	-14.5%	-16.5%	-17.6%	-18.0%	-18.1%	-17.6%		
Since Same Week Last Year												
Change ¢	-1129	-978	-839	-729	-730	-693	-680	-637	-619	-589		
Change %	-36.6%	-33.5%	-30.5%	-28.0%	-29.4%	-28.9%	-28.9%	-27.7%	-27.2%	-26.0%		

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 ¢		+2	+30	+56		-94
Change %		+0.2%	+3.6%	+8.6%		-9.2%
Since Start of the Season						
Change ¢		-194	-182	-142	-120	-62
Change %		-14.4%	-17.4%	-16.7%	-20.4%	-6.3%
Since Same Week Last Year						
Change ¢		-364	-87	+8	-26	-612
Change %		-24.0%	-9.2%	+1.1%	-5.3%	-39.8%

# Average Merino Cardings Price Guide

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## AWIS WOOL MARKET REVIEW Week Ending 23 August 2019 (Week 08)

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.

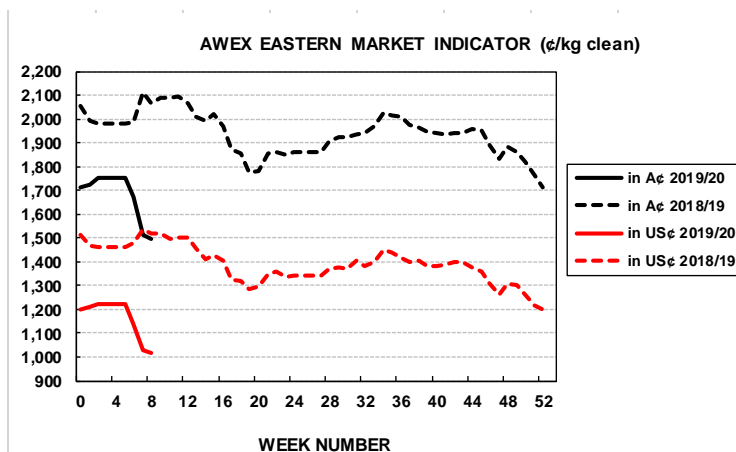
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re- Offered	Bales Sold
North	13,052	9,430	14.1%	13.6%	10.0%	8,096
South	15,435	17,065	16.9%	17.8%	16.9%	14,175
West	6,929					
<b>Australia</b>	<b>35,416</b>	<b>26,495</b>	<b>15.9%</b>	<b>16.3%</b>	<b>14.5%</b>	<b>22,271</b>

Progressive Changes from Last Year		
All Bales		1 <sup>st</sup> Time Bales
Bales	%	%
-11,482	-16.1%	-18.1%
-21,150	-20.6%	-25.4%
+1,323	+5.1%	-0.5%
<b>-31,309</b>	<b>-15.7%</b>	<b>-19.8%</b>

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 09	Week 10	Week 11	Differences
North	7,898	9,270	8,700	-18.5%
South	17,066	19,305	17,566	+1.4%
West	10,110	7,450	7,500	+8.1%
New Zealand	1,500		2,000	
<b>Australia</b>	<b>35,074</b>	<b>36,025</b>	<b>33,766</b>	<b>104,865</b>
<b>Differences</b>	<b>-2.6%</b>	<b>-5.3%</b>	<b>-0.9%</b>	<b>-3.0%</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	67.83	+0.07	-0.07	+0.06	-0.08	Public	-0.02 (0.0%)	67.81	67.75	70.36
Euro	60.84	+0.30	+0.02	+0.08	-0.13	Holiday	+0.27 (+0.4%)	61.11	60.42	62.36

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to June	
	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	1633
Last Year	1939
2017/18	1739
2016/17	1408
2015/16	1254

SEASON AVERAGES		
Region	This Year	Diff
North	1656	-325
South	1617	-296
West	1780	-309

THIS YEAR'S EMI	
This Week	1497
First Week	1723
Low (0/01)	1497
High (0/01)	1754

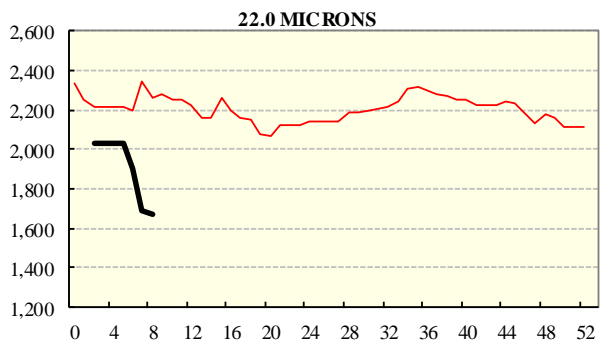
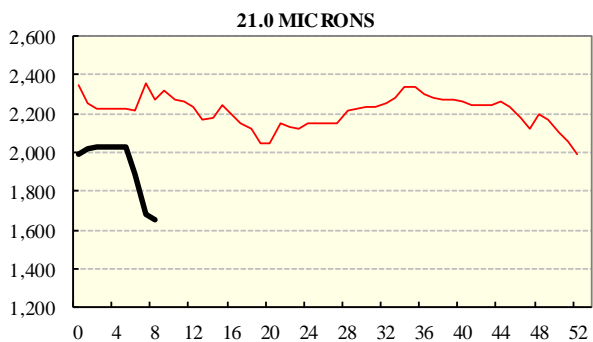
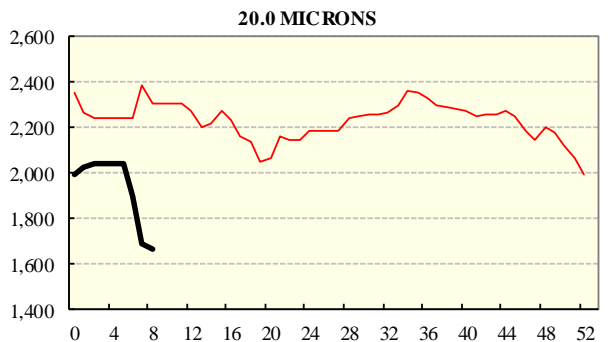
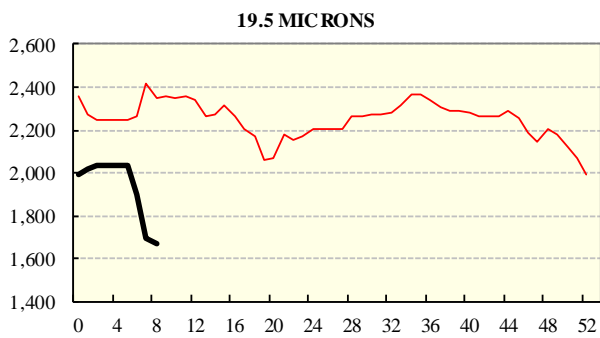
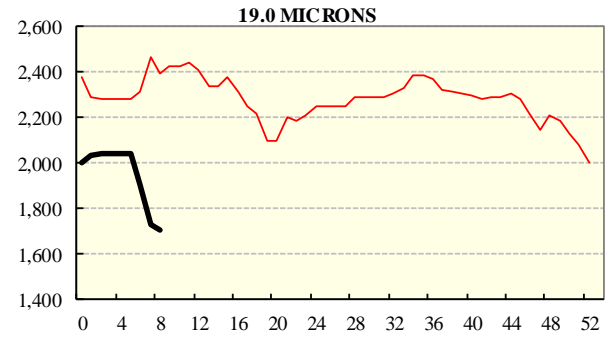
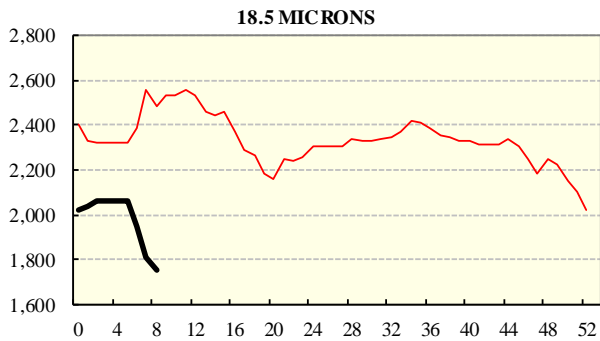
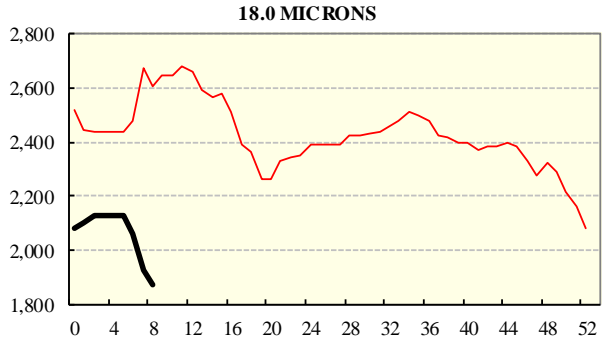
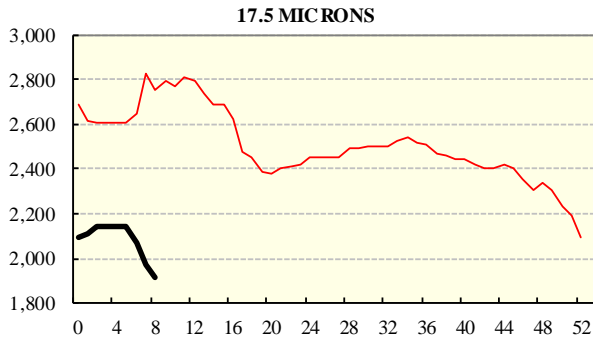
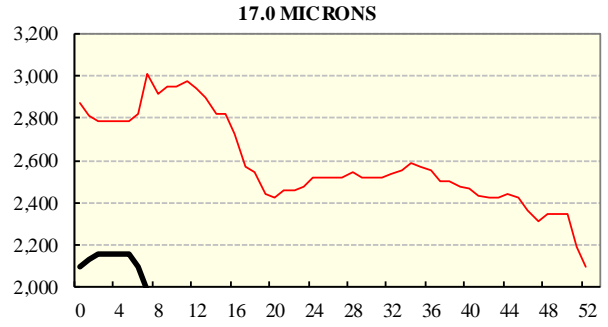
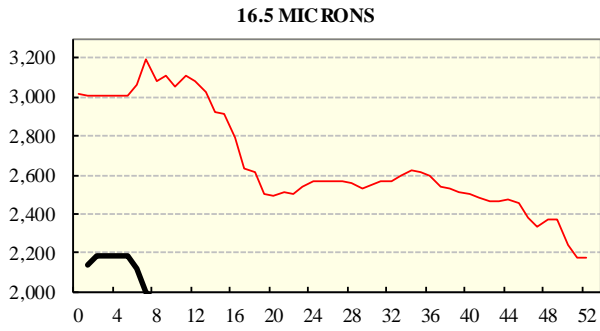
COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1521	-238
South	1477	-248
West	1598	

BALES OFFERED	
This Year	168,523
Last Year	199,832
Difference	-31,309
% Diff	-15.7%
FIRST OFFERED BALES	
Difference	-19.8%
% of Offering	90.7%

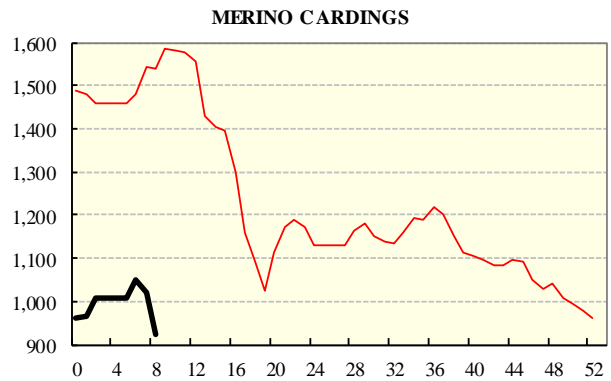
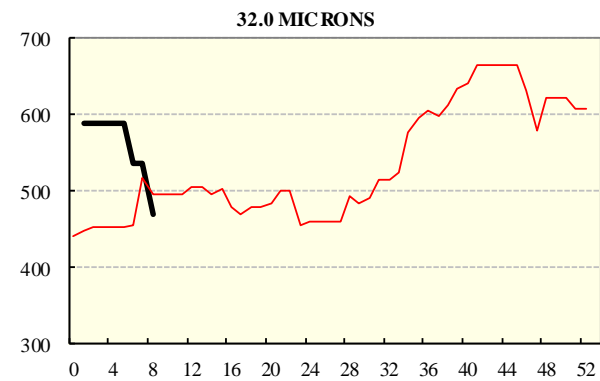
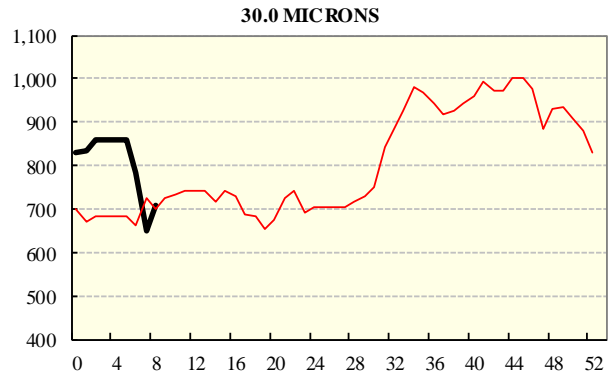
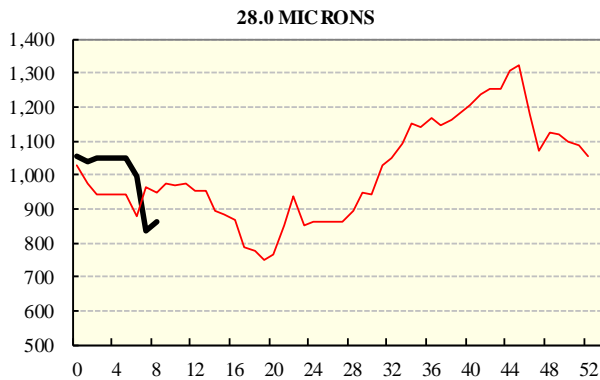
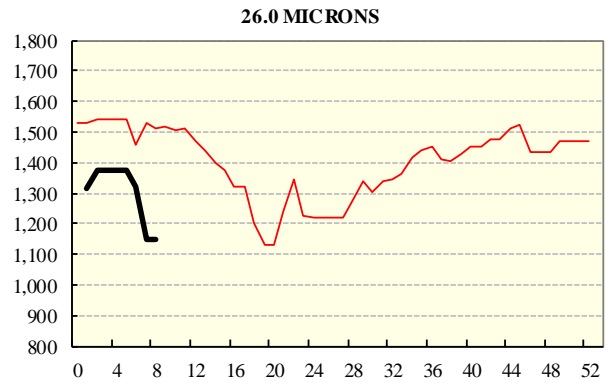
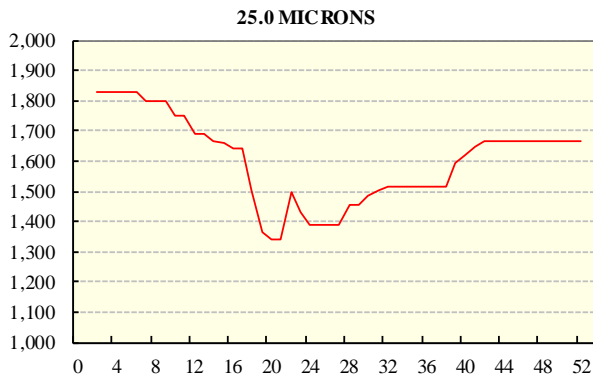
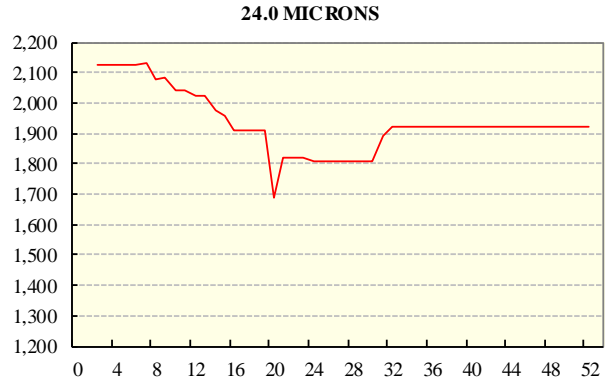
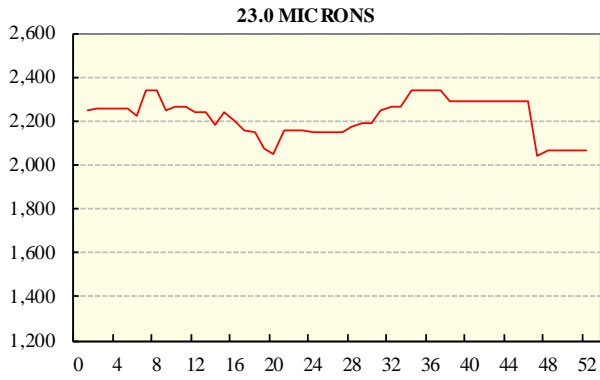
REGION BALES		
This Sale:		
North	9,430	
South	17,065	
West		
Progressive Totals:		Diff
North	59,799	-16.1%
South	81,656	-20.6%
West	27,068	+5.1%

## 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)

