

# AUSTRALIANWOOL INDUSTRIES SECRETARIAT INC

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## AWIS WOOL MARKET REVIEW

Week Ending 29 May 2020 (Week 48)

The AWEX EMI finished 15¢ higher (+1.3%) in Australian currency and 20¢ higher (+2.6%) in US currency at sales in Sydney, Melbourne and Fremantle in Week 48.

18,828 bales were on offer nationally, compared with 21,101 bales last sale. 7.9% of the offering was passed in after 11.2% of the potential offering was withdrawn prior to sale. 17,343 bales were sold.

The Pass-In Rate was the lowest since the last sale prior to Christmas.

AWEX reports that the value of the wool sold was \$22.2 million (\$1,280 per bale), taking the season total to \$1.853 billion (\$1,635 per bale). The number of bales sold at auction this season is now 19.3% less than in 2018/19.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 48)									
Centre	Last Sale		Day-to-Day Changes (Week 48)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	47	1155	+17	-2	No Sale	+15 (+1.3%)	1170	+20	+18
Northern	47	1193	+19	No Sale	No Sale	+19 (+1.6%)	1212	+23	+20
Southern	47	1132	+15	-4	No Sale	+11 (+1.0%)	1143	+17	+15
Western	47	1214	No Sale	+25	No Sale	+25 (+2.1%)	1239	+28	+24

The market opened strongly on Tuesday with rises across all types and micron ranges. This followed reports of increased enquiry from China since last week's sale. Prices eased slightly on Wednesday as selling progressed during the day. The WMI moved up by 25¢ on Wednesday, but this was because the West had not sold on Tuesday when the EMI moved up.

The upward movements in the Crossbreds and Cardings were the first since before Christmas.

Calculation of current changes in the average weekly MPGs continues to be difficult with price movements as variable as was seen this week; and when the South sells on both days; and the North and the West each sell on one day.

The US Exchange Rate finished 0.89¢ (1.4%) higher to close at 66.40¢ on Wednesday.

Buyers for China continued their dominance as the rest of the world is not fully out of lockdown.

In other countries, the South African Cape Wools Indicator was down by 1.6% since last week against a 3.7% appreciation of the Rand against the US Dollar and a 3.4% appreciation against the Euro.

Looking ahead, offerings for the coming three sales are expected to range from 17,136 bales to 23,446 bales and to be 14.3% less than in the same period last year. The forecast progressive difference to Week 51 is -12.2%.

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	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 44	Start of the Season	Week 48 Last Year	Season Average to Week 48 Last Year
Eastern Market Indicator	-55 (-4.5%)	-569 (-32.7%)	-717 (-38.0%)	-476 (-24.4%)
Western Market Indicator	-71 (-5.4%)	-642 (-34.1%)	-753 (-37.8%)	-528 (-25.2%)

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 ¢	+21	+19	+5	+28	+29	+28	+23	+14	+14			
Change %	+1.2%	+1.2%	+0.3%	+1.9%	+2.1%	+2.1%	+1.8%	+1.1%	+1.1%			
Since Start of the Season												
Change ¢	-414	-512	-586	-619	-629	-677	-705	-731	-737			
Change %	-19.1%	-23.9%	-27.5%	-29.2%	-30.7%	-33.2%	-34.7%	-36.0%	-36.4%			
Since Same Week Last Year												
Change ¢	-624	-716	-795	-824	-824	-847	-880	-903	-911			
Change %	-26.3%	-30.5%	-34.0%	-35.5%	-36.7%	-38.4%	-39.9%	-41.0%	-41.5%			

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 ¢			+20	+9		+13
Change %			+3.5%	+2.0%		+1.5%
Since Start of the Season						
Change ¢			-571	-447	-384	-274
Change %			-42.5%	-42.8%	-45.3%	-46.5%
Since Same Week Last Year						
Change ¢			-526	-467	-308	-179
Change %			-46.8%	-50.2%	-49.4%	-17.2%

MC Average Merino Cardings Price Guide

## AWIS WOOL MARKET REVIEW

Week Ending 29 May 2020 (Week 48)

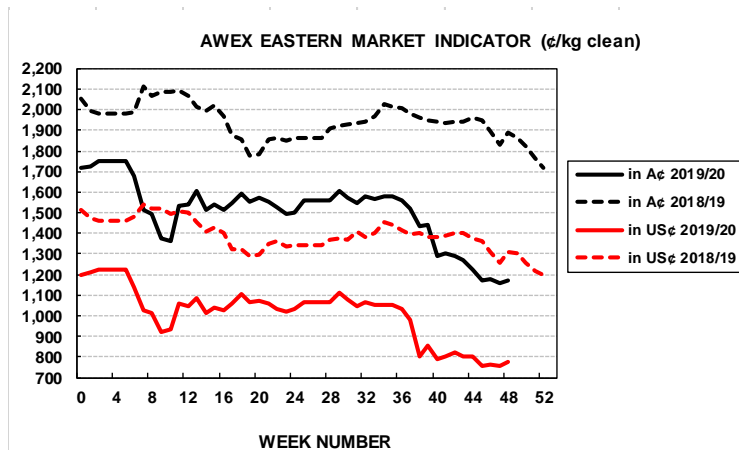
The following tables show the details of this week's sale offering; the expected offerings over the next three sales; the changes in Exchange Rates since the previous sale; and highlights from the ABS export data.

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 <sup>st</sup> Time Bales
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re- Offered	Bales Sold	Bales	%	%
North	6,302	5,429	3.9%	8.5%	6.3%	5,216	-50,128	-12.2%	-16.1%
South	10,417	9,270	9.1%	11.7%	15.2%	8,430	-112,231	-13.6%	-17.4%
West	4,382	4,129	10.5%	13.6%	9.8%	3,697	-26,760	-8.4%	-13.3%
Australia	21,101	18,828	7.9%	11.2%	11.5%	17,343	-189,119	-12.1%	-16.2%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 49	Week 50	Week 51	Differences
North	7,184	5,453	6,634	-24.5%
South	9,952	11,843	11,855	-10.2%
West	No Sale	6,150	No Sale	+3.2%
New Zealand				
Australia	17,136	23,446	18,489	59,071
Differences	-21.2%	-16.7%	-3.1%	-14.3%

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	65.51	-0.10	-0.12	+0.48	+0.63	Public	+0.89 (+1.4%)	66.40	55.71	70.36
Euro	59.86	0.00	+0.11	+0.25	+0.37	Holiday	+0.73 (+1.2%)	60.59	51.12	62.48

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to March	
	March 2020	July to March 2019/20	July to March 2018/19	By Weight	By Value
China	78.9%	76.7%	76.0%	-15.5%	-32.0%
India	7.4%	6.5%	6.1%	-9.5%	-26.3%
Italy	3.0%	4.9%	5.3%	-22.8%	-38.7%
Czech Republic	5.2%	4.1%	4.0%	-12.6%	-29.2%
Korea	1.5%	2.0%	2.5%	-33.6%	-43.9%
Egypt	0.8%	1.2%	1.0%	+1.3%	-20.7%
Thailand	0.6%	0.9%	0.9%	-21.5%	-43.9%
Bulgaria	0.5%	0.6%	0.4%	+24.9%	+25.4%
<b>Change all Countries</b>				<b>-15.9%</b>	<b>-32.4%</b>



AVERAGE EMI	
This Year	1477
Last Year	1939
2017/18	1739
2016/17	1408
2015/16	1254

SEASON AVERAGES		
Region	This Year	Diff
North	1509	-472
South	1455	-457
West	1571	-518

THIS YEAR'S EMI	
This Week	1170
First Week	1723
Low (11/01)	1155
High (11/01)	1754

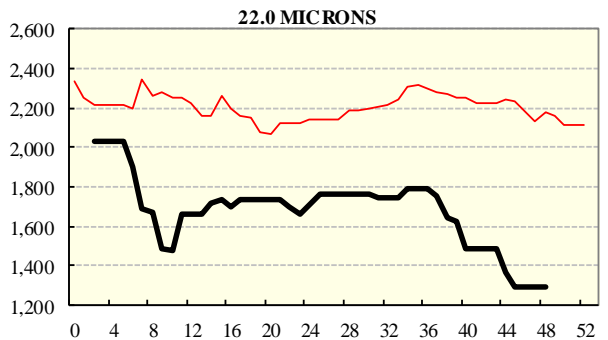
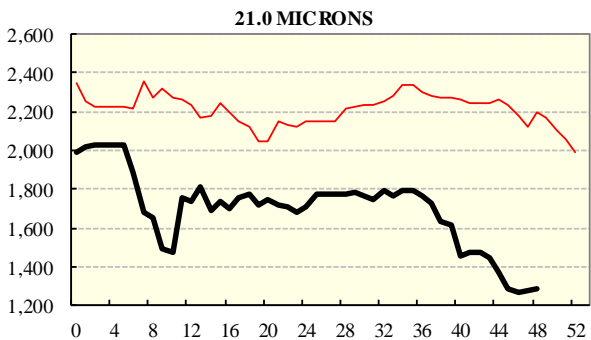
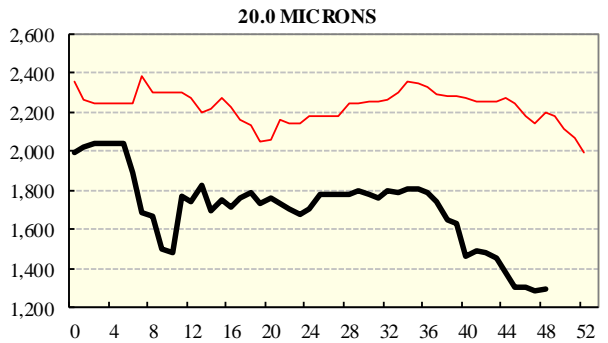
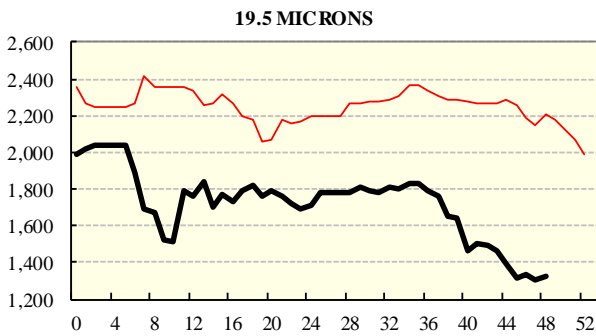
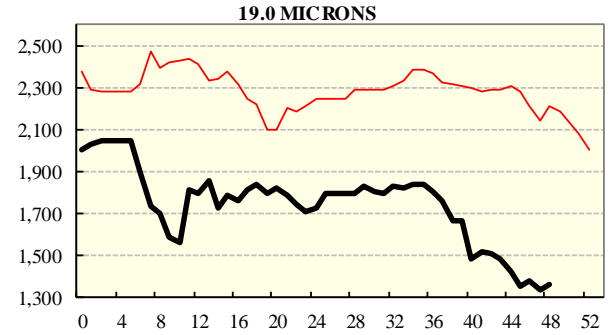
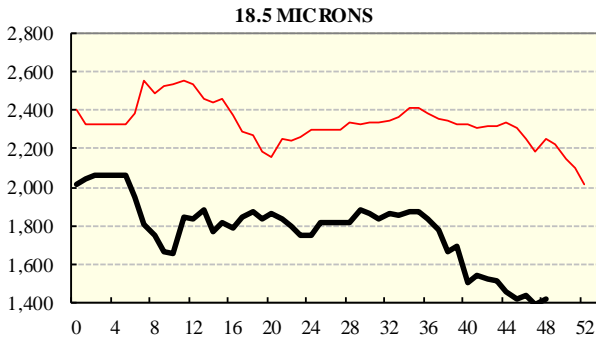
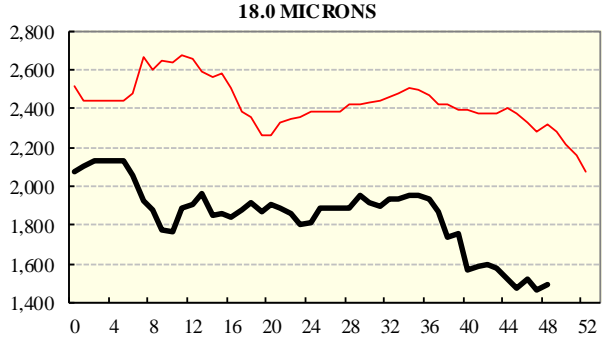
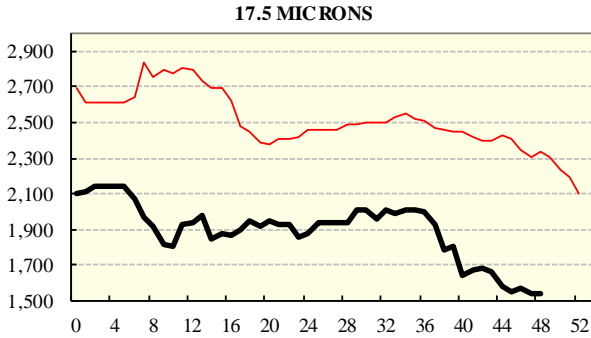
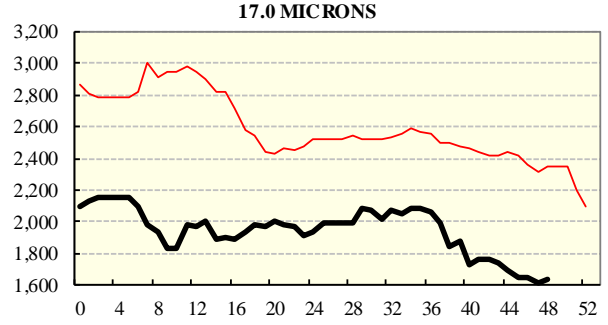
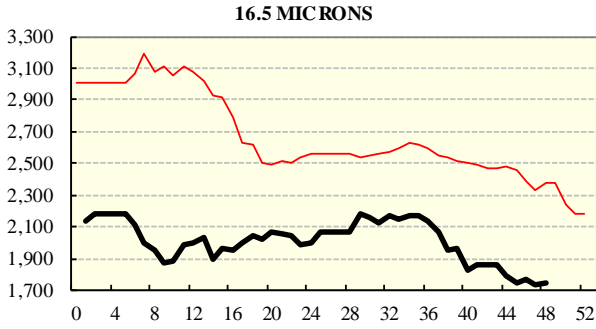
COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1212	-547
South	1143	-582
West	1239	-642

BALES OFFERED	
This Year	1,370,654
Last Year	1,559,773
Difference	-189,119
% Diff	-12.1%
FIRST OFFERED BALES	
Difference	-16.2%
% of Offering	89%

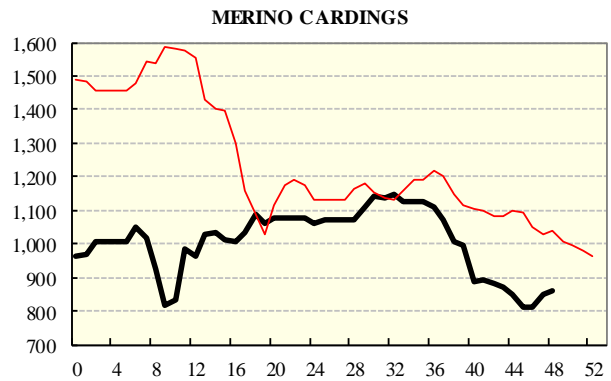
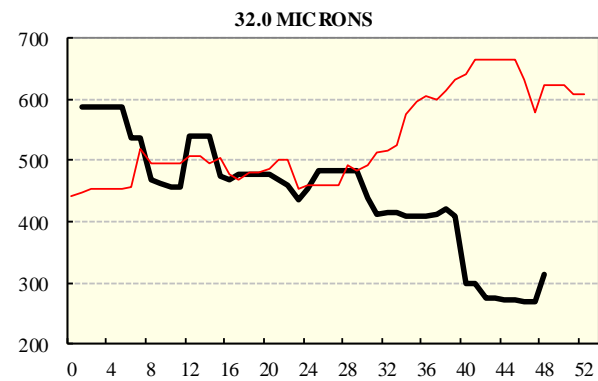
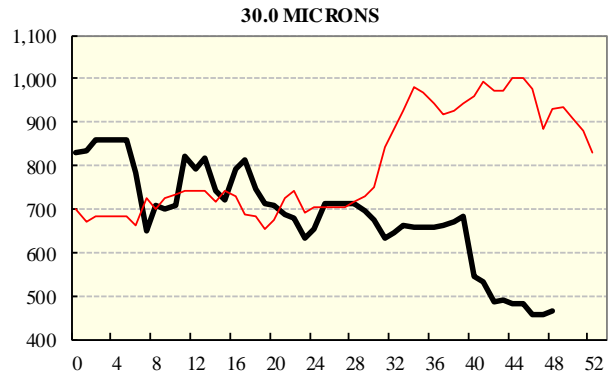
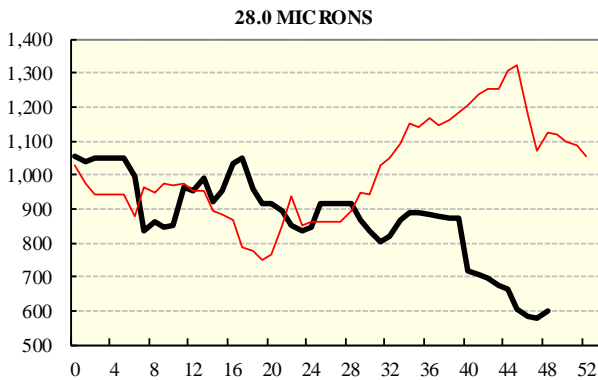
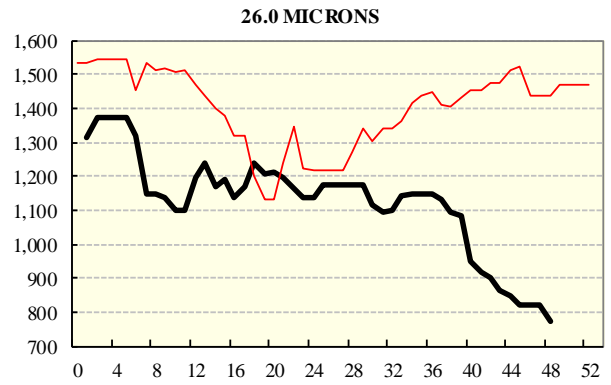
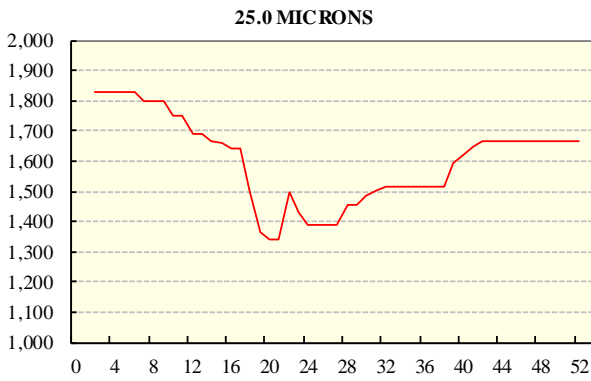
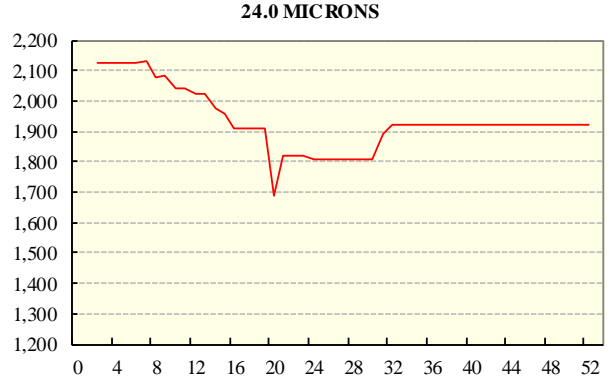
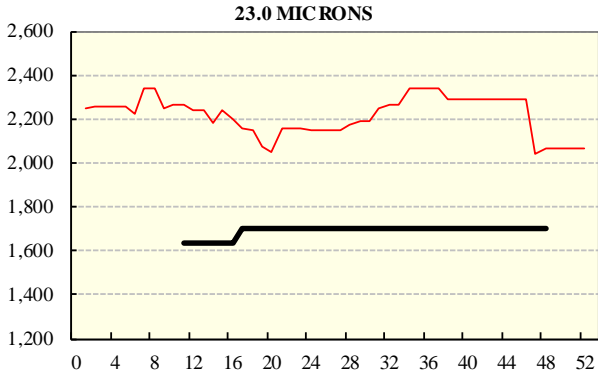
REGION BALES		
This Sale:		
North	5,429	
South	9,270	
West	4,129	
Progressive Totals:		Diff
North	362,011	-12.2%
South	714,970	-13.6%
West	293,673	-8.4%

## 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)

