

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

Unit 9, 42 - 46 Vella Drive
Sunshine West Vic 3020
Australia
Tel: 03 9311 0103
Fax: 03 9311 0138



Email: awis@woolindustries.org
Web: www.woolindustries.org
ABN: 30 454 304 967
Reg No: A0041776E

AWIS WOOL MARKET REVIEW

Week Ending 30 August 2019 (Week 09).

The market again fell sharply when AWEX EMI finished at 1375¢, 122¢ lower (-8.1%) in Australian currency and 91¢ lower (-9.0%) in US currency at sales in Sydney, Melbourne and Fremantle this week.

25,272 bales were on offer nationally, compared with 26,495 bales last sale. 33.7% of the offering was passed in; and 18.4% of the initial offering was withdrawn prior to sale.

Only three buyers on Wednesday and two on Thursday bought more than 10% of the sold bales.

AWEX reports that the value of the wool sold was \$25.4 million (\$1,516 per bale), taking the season total to \$265.9 million (\$1,771 per bale).

The New Zealand Merino Company also offered 1,125 bales in Melbourne on Thursday, of which 67.5% were passed in and 16.8% were withdrawn before sale.

| Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 09) | | | | | | | | | |
|---|-----------|-----------|------------------------------|-----------|----------|---------------------|-------------------|----------------------|--------|
| Centre | Last Sale | | Day-to-Day Changes (Week 09) | | | Sale-to-Sale Change | Closing Indicator | Sale-to-Sale Changes | |
| | Week | Indicator | Tuesday | Wednesday | Thursday | | | US ¢ | Euro ¢ |
| Eastern | 08 | 1497 | No Sale | -67 | -55 | -122 (-8.1%) | 1375 | -91 | -81 |
| Northern | 08 | 1521 | No Sale | -50 | -66 | -116 (-7.6%) | 1405 | -87 | -77 |
| Southern | 08 | 1477 | No Sale | -73 | -48 | -121 (-8.2%) | 1356 | -90 | -81 |
| Western | 07 | 1598 | No Sale | -113 | -69 | -182 (-11.4%) | 1416 | -132 | -118 |

There were large falls across all Merino types and micron ranges, with wools of 19.0 microns and broader the most affected. Merino Skirtings also fell sharply, as did the Oddments, where the average AWEX Merino Cardings Price Guide fell by 110¢ (-11.9%) to record the greatest percentage fall for the week.

Falls among the crossbreds were significantly less than those among the Merinos, providing some better news for the week.

The US Exchange Rate finished 0.59¢ (-0.9%) lower to close at 67.22¢ on Thursday.

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

In other countries, South African sales continued in recess, but will recommence in the first week of September.

Looking ahead, offerings for the coming three sales are currently expected to range from 29,061 bales to 35,215 bales and to be 9.7% less than in the same period last year. The forecast progressive difference to Week 12 is -15.3%. However, these numbers will be subject to change, depending on the market and withdrawal rates.

| 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 | 202¢ | 268¢ | 329¢ | 333¢ | 371¢ |

| Market Indicator | Changes From | | | |
|--------------------------|---------------------------|------------------------|----------------------|--|
| | Four Sales Ago Week 02 | Start of the Season | Week 09 Last Year | Season Average to Week 09 Last Year |
| Eastern Market Indicator | -379 (-21.6%) | -364 (-20.9%) | -715 (-34.2%) | -450 (-22.1%) |
| Western Market Indicator | -478 (-25.2%) | -465 (-24.7%) | -839 (-37.2%) | -488 (-22.2%) |

| 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 ¢ | -84 | -106 | -99 | -99 | -91 | -117 | -144 | -164 | -164 | -189 | | |
| Change % | -4.3% | -5.5% | -5.2% | -5.3% | -5.2% | -6.9% | -8.6% | -9.9% | -9.9% | -11.3% | | |
| Since Start of the Season | | | | | | | | | | | | |
| Change ¢ | -294 | -312 | -311 | -342 | -389 | -453 | -502 | -529 | -531 | -548 | | |
| Change % | -13.6% | -14.6% | -14.6% | -16.2% | -19.0% | -22.2% | -24.7% | -26.1% | -26.2% | -26.9% | | |
| Since Same Week Last Year | | | | | | | | | | | | |
| Change ¢ | -1239 | -1114 | -974 | -870 | -867 | -838 | -828 | -803 | -823 | -788 | | |
| Change % | -39.9% | -37.8% | -34.9% | -32.9% | -34.3% | -34.6% | -35.1% | -34.9% | -35.6% | -34.7% | | |

| 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 ¢ | | -15 | -18 | -5 | -5 | -110 |
| Change % | | -1.3% | -2.1% | -0.7% | -1.1% | -11.9% |
| Since Start of the Season | | | | | | |
| Change ¢ | | -209 | -200 | -147 | -125 | -172 |
| Change % | | -15.6% | -19.1% | -17.3% | -21.2% | -17.4% |
| Since Same Week Last Year | | | | | | |
| Change ¢ | | -384 | -128 | -24 | -31 | -769 |
| Change % | | -25.3% | -13.2% | -3.3% | -6.3% | -48.5% |

Average Merino Cardings Price Guide

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AWIS WOOL MARKET REVIEW Week Ending 30 August 2019 (Week 09)

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.

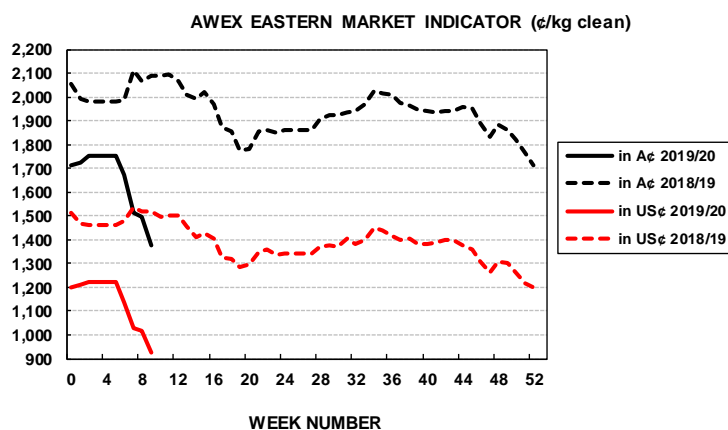
| Details of this Week's Offering and the Comparison with the Previous Sale's Offering | | | | | | |
|--|---------------|---------------|--------------|-----------------------|--------------|---------------|
| Centre | Last Sale | This Sale | | | | |
| | Offering | Offering | Passed-In | Withdrawn Before Sale | Re-Offered | Bales Sold |
| North | 9,430 | 6,951 | 30.9% | 14.9% | 16.3% | 4,801 |
| South | 17,065 | 11,430 | 29.0% | 11.6% | 13.5% | 8,112 |
| West | | 6,891 | 44.2% | 30.2% | 25.3% | 3,846 |
| Australia | 26,495 | 25,272 | 33.7% | 18.4% | 17.5% | 16,759 |

| Progressive Changes from Last Year | | |
|------------------------------------|---------------|----------------------------|
| All Bales | | 1 st Time Bales |
| Bales | % | % |
| -15,134 | -18.5% | -21.4% |
| -24,690 | -21.0% | -26.2% |
| -2,213 | -6.1% | -14.0% |
| -42,037 | -17.8% | -22.8% |

| Next Sale Offerings and Year-on-Year Differences | | | | |
|--|---------------|---------------|---------------|---------------|
| Centre | Week 10 | Week 11 | Week 12 | Differences |
| North | 8,885 | 8,700 | 8,950 | -9.9% |
| South | 15,718 | 16,441 | 18,765 | -14.1% |
| West | 4,458 | 7,500 | 7,500 | +4.6% |
| New Zealand | | 1,500 | | |
| Australia | 29,061 | 32,641 | 35,215 | 96,917 |
| Differences | -23.6% | -4.2% | 0.0% | -9.7% |

| 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 | 67.81 | -0.25 | -0.22 | +0.24 | -0.20 | -0.16 | -0.59 (-0.9%) | 67.22 | 67.22 | 70.36 |
| Euro | 61.11 | -0.07 | -0.61 | +0.44 | -0.11 | -0.11 | -0.46 (-0.8%) | 60.65 | 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% |
| Change all Countries | | | | -20.7% | +8.2% |



| AVERAGE EMI | |
|-------------|------|
| This Year | 1590 |
| Last Year | 1939 |
| 2017/18 | 1739 |
| 2016/17 | 1408 |
| 2015/16 | 1254 |

| SEASON AVERAGES | | |
|-----------------|-----------|------|
| Region | This Year | Diff |
| North | 1614 | -367 |
| South | 1573 | -339 |
| West | 1707 | -381 |

| THIS YEAR'S EMI | |
|-----------------|------|
| This Week | 1375 |
| First Week | 1723 |
| Low (0/01) | 1375 |
| High (0/01) | 1754 |

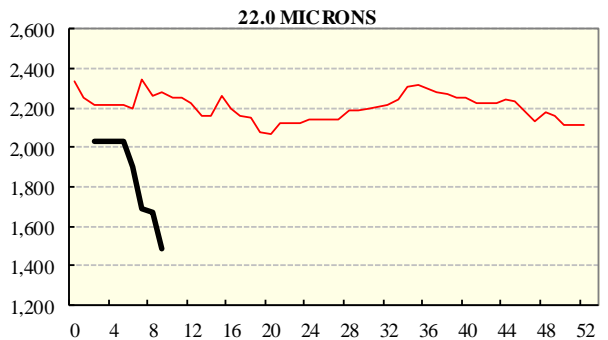
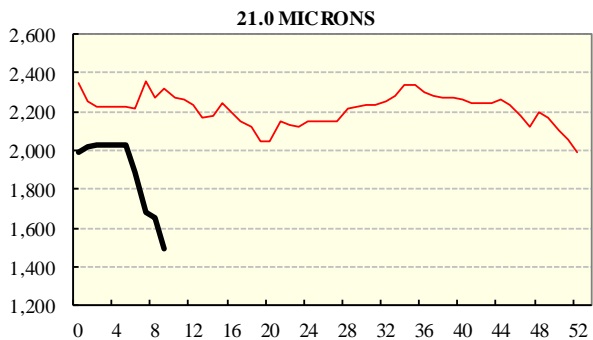
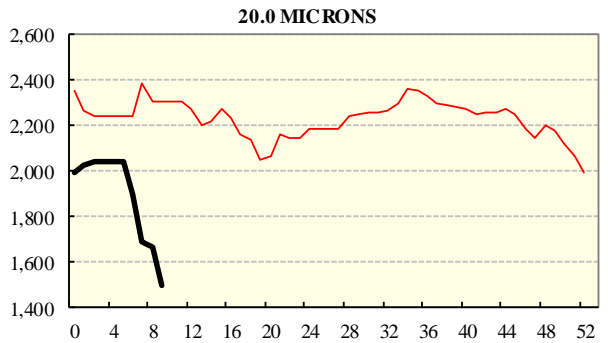
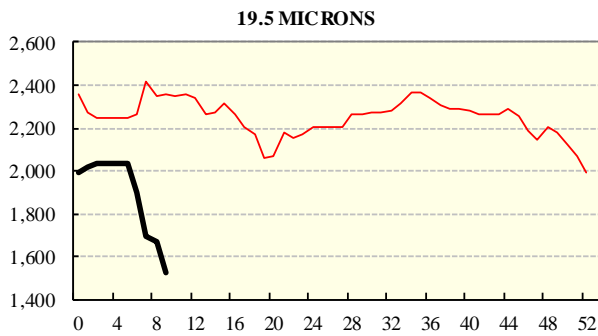
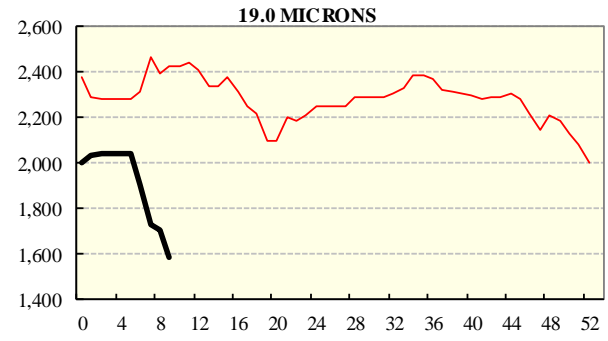
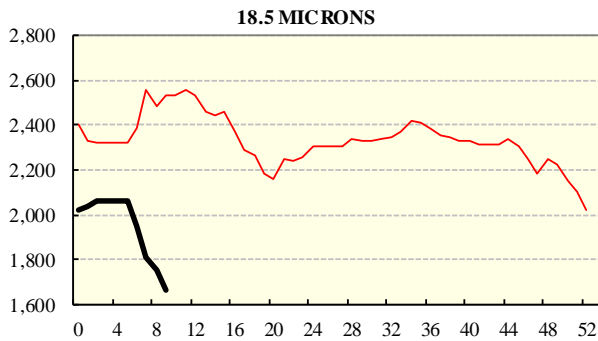
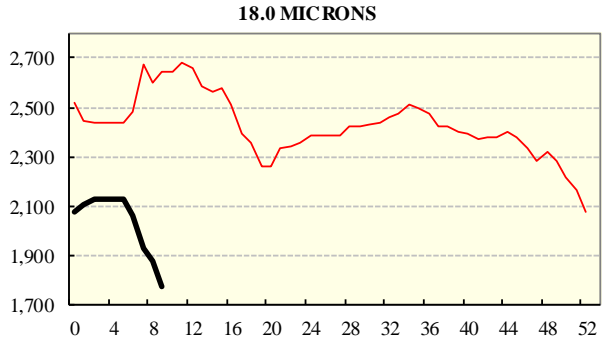
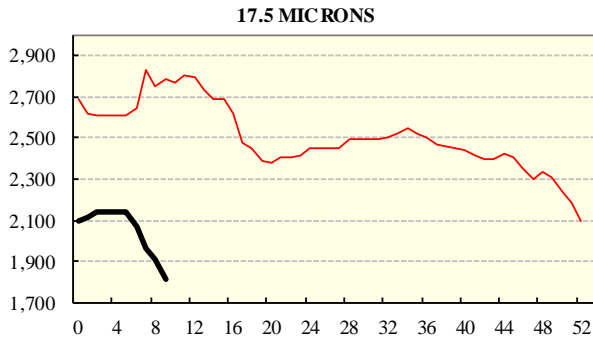
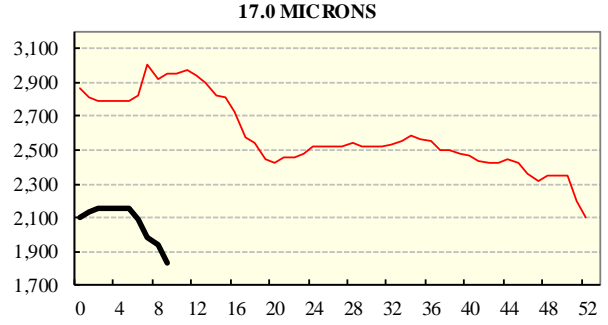
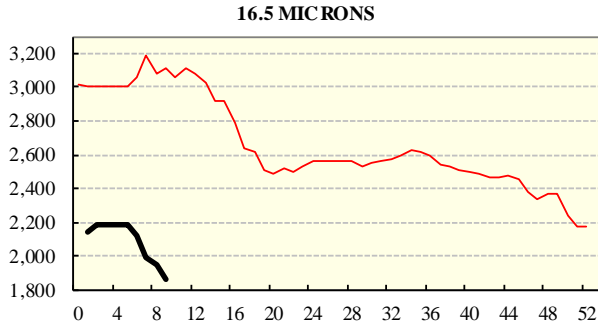
| COMPARED WITH WKS 1/2 | | |
|-----------------------|-----------|------|
| Region | This Week | Diff |
| North | 1405 | -354 |
| South | 1356 | -369 |
| West | 1416 | -465 |

| BALES OFFERED | |
|---------------------|---------|
| This Year | 193,795 |
| Last Year | 235,832 |
| Difference | -42,037 |
| % Diff | -17.8% |
| FIRST OFFERED BALES | |
| Difference | -22.8% |
| % of Offering | 89.7% |

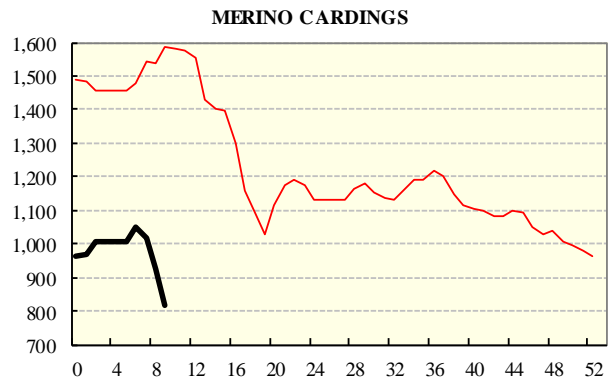
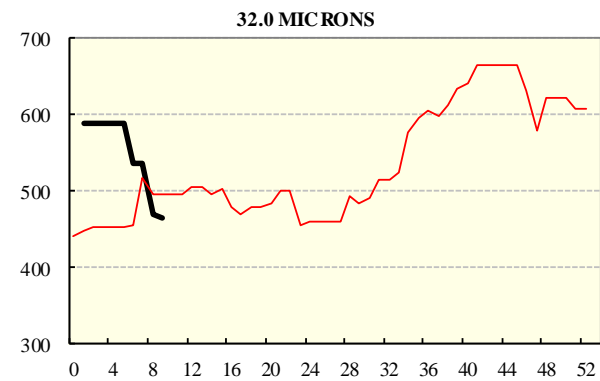
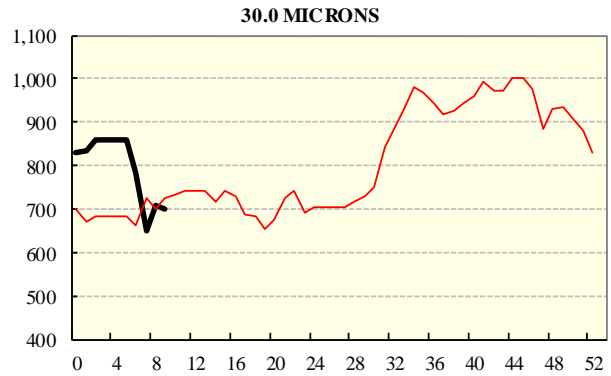
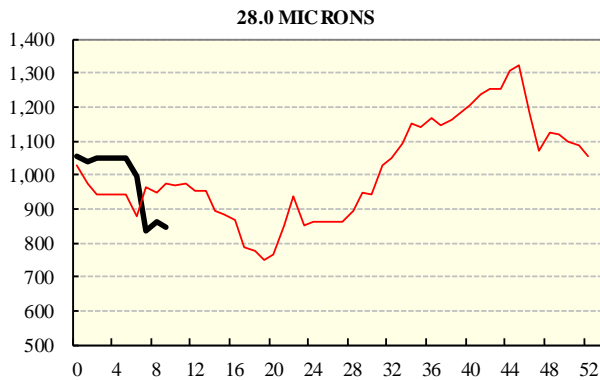
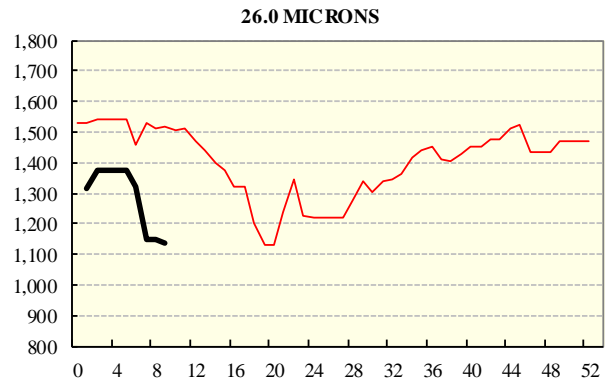
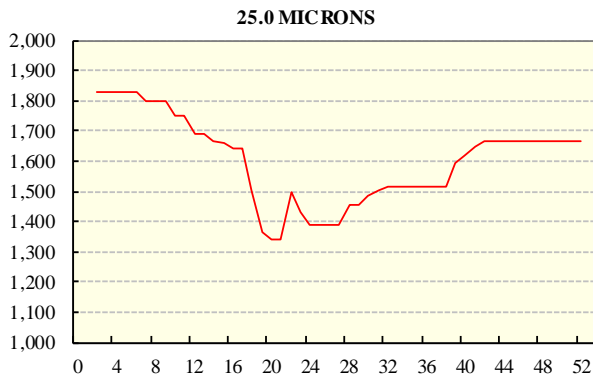
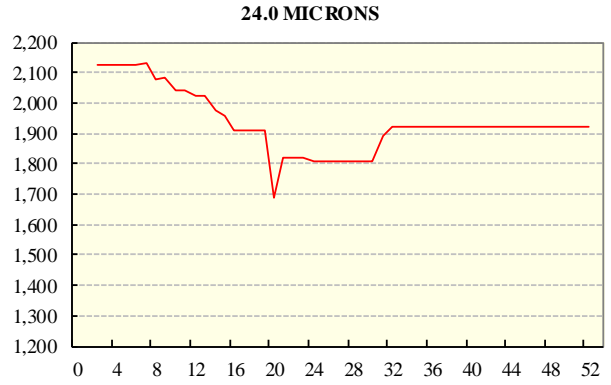
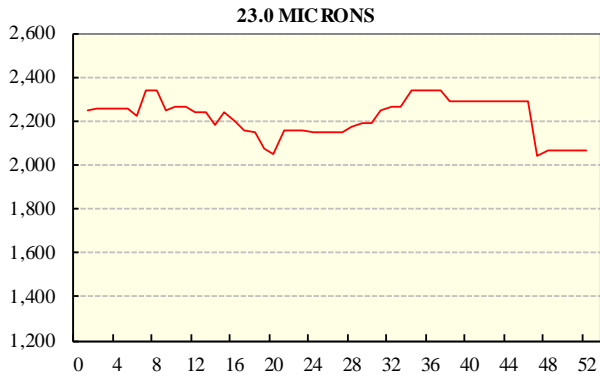
| REGION BALES | | |
|---------------------|--------|--------|
| This Sale: | | |
| North | 6,951 | |
| South | 11,430 | |
| West | 6,891 | |
| Progressive Totals: | | Diff |
| North | 66,750 | -18.5% |
| South | 93,086 | -21.0% |
| West | 33,959 | -6.1% |

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)

