

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW

Week Ending 31 January 2020 (Week 31).

The AWEX EMI finished at 1548¢, 28¢ lower (-1.8%) in Australian currency and 39¢ lower (-3.6%) in US currency at sales in Sydney, Melbourne and Fremantle in Week 31.

33,700 bales were on offer nationally, compared with 52,666 bales last sale. 28.8% of the offering was passed in after 14.9% of the potential offering was withdrawn prior to sale.

AWEX reports that the value of the wool sold was \$36.6 million (\$1,525 per bale), taking the season total to \$1.228 billion (\$1,717 per bale). The number of bales sold at auction this season is now 16.3% less than in 2018/19.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 31)									
Centre	Last Sale		Day-to-Day Changes (Week 31)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	30	1576	No Sale	-56	+28	-28 (-1.8%)	1548	-39	-29
Northern	30	1617	No Sale	-62	+23	-39 (-2.4%)	1578	-47	-37
Southern	30	1549	No Sale	-52	+32	-20 (-1.3%)	1529	-34	-25
Western	30	1685	No Sale	-48	+46	-2 (-0.1%)	1683	-23	-15

As expected by the trade, the market opened on a downward direction in response to the ongoing uncertainty associated with the outbreak of coronavirus. Nor was then any surprise when growers passed-in 37.1% of the offering on Wednesday and withdrew 23.7% before sale on Thursday. This was most noticeable in the Merino Fleece, with a Pass-In Rate of 48.8% on Wednesday and a Withdrawn Rate of on 34.7% Thursday.

Prices recovered on Thursday, leading to a lower Pass-In Rate of 18.5%. The lift in Thursday's market meant that the closing falls in the AWEX MPGs ranged from -0.2% to -2.7% among the Merinos, but were higher among the crossbreds which were more affected on Wednesday.

The US Exchange Rate finished 1.28¢ (-1.9%) lower to close at 67.39¢ on Thursday.

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

Looking ahead, offerings for the coming three sales are expected to range from 35,849 bales to 43,570 bales and to be 2.4% less than in the same period last year. The forecast progressive difference to Week 34 is -9.5%.

In other countries, the South African Cape Wools Indicator was down by 0.5% since last week against a 2.3% depreciation of the Rand against the US Dollar and a 1.6% depreciation against the Euro.

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	106¢	144¢	203¢	256¢	358¢

Market Indicator	Changes From			
	Four Sales Ago Week 24	Start of the Season	Week 31 Last Year	Season Average to Week 31 Last Year
Eastern Market Indicator	+45 (+3.0%)	-191 (-11.0%)	-386 (-20.0%)	-404 (-20.7%)
Western Market Indicator	+69 (+4.3%)	-198 (-10.5%)	-411 (-19.6%)	-453 (-21.5%)

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 ¢	-42	-57	-54	-27	-32	-9	-3	-13	-11			
Change %	-1.9%	-2.7%	-2.7%	-1.4%	-1.7%	-0.5%	-0.2%	-0.7%	-0.6%			
Since Start of the Season												
Change ¢	-42	-123	-170	-224	-216	-244	-246	-266	-273	-286		
Change %	-1.9%	-5.7%	-8.0%	-10.6%	-10.5%	-12.0%	-12.1%	-13.1%	-13.5%	-14.1%		
Since Same Week Last Year												
Change ¢	-443	-502	-540	-547	-504	-498	-490	-491	-482	-457		
Change %	-17.3%	-19.9%	-21.6%	-22.4%	-21.5%	-21.7%	-21.5%	-21.8%	-21.6%	-20.7%		

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 ¢		-19	-33	-41	-28	-8
Change %		-1.7%	-3.9%	-6.1%	-6.4%	-0.7%
Since Start of the Season						
Change ¢		-249	-241	-216	-178	+149
Change %		-18.5%	-23.1%	-25.5%	-30.2%	+15.1%
Since Same Week Last Year						
Change ¢		-243	-224	-212	-103	-2
Change %		-18.2%	-21.8%	-25.1%	-20.0%	-0.2%

MC Average Merino Cardings Price Guide

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For further information

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AWIS WOOL MARKET REVIEW Week Ending 31 January 2020 (Week 31)

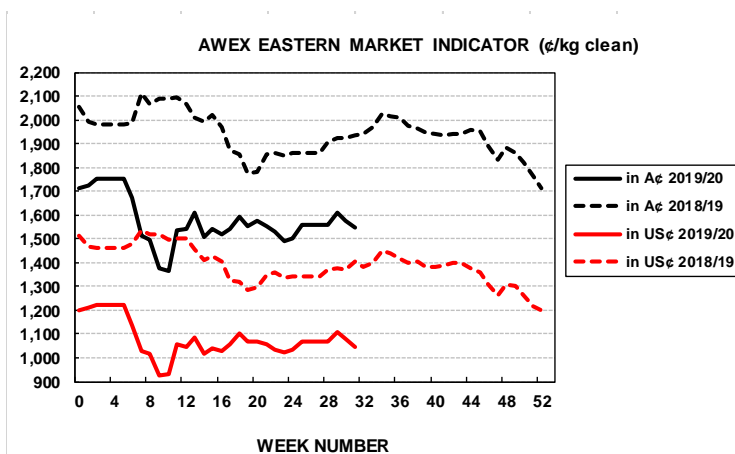
The following tables show the details of this week's sale offering; the expected offerings over the next three sales; the changes in Exchange Rates since the previous sale; and highlights from the November ABS export data.

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	14,105	8,938	27.6%	7.6%	5.2%	6,471	-27,883	-10.5%	-14.0%
South	26,847	17,165	28.2%	18.2%	7.1%	12,321	-63,856	-12.8%	-15.9%
West	11,714	7,597	31.4%	15.2%	9.0%	5,210	-7,039	-3.8%	-9.3%
Australia	52,666	33,700	28.8%	14.9%	7.0%	24,002	-98,778	-10.4%	-14.1%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 32	Week 33	Week 34	Differences
North	10,410	9,905	9,030	+5.3%
South	17,401	25,265	20,446	-2.2%
West	8,038	8,400	8,250	-10.6%
New Zealand			2,000	
Australia	35,849	43,570	37,726	117,145
Differences	-10.1%	+8.5%	-5.6%	-2.4%

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	68.67	-0.20	Public	-0.85	+0.12	-0.35	-1.28 (-1.9%)	67.39	67.17	70.36
Euro	61.95	+0.02	Holiday	-0.63	+0.17	-0.34	-0.78 (-1.3%)	61.17	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%
Taiwan	0.9%	0.6%	0.8%	-32.1%	-52.9%
Change all Countries				-15.8%	-35.1%



AVERAGE EMI	
This Year	1552
Last Year	1939
2017/18	1739
2016/17	1408
2015/16	1254

SEASON AVERAGES		
Region	This Year	Diff
North	1581	-400
South	1532	-380
West	1655	-434

THIS YEAR'S EMI	
This Week	1548
First Week	1723
Low (10/01)	1365
High (11/01)	1754

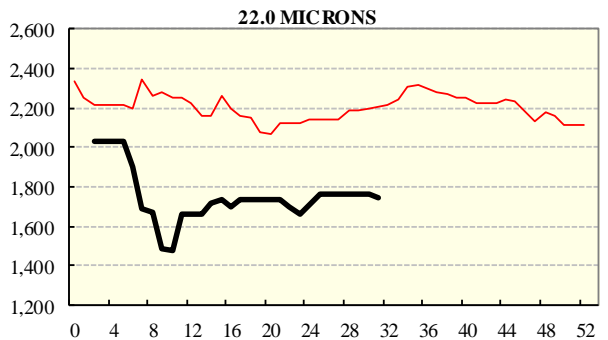
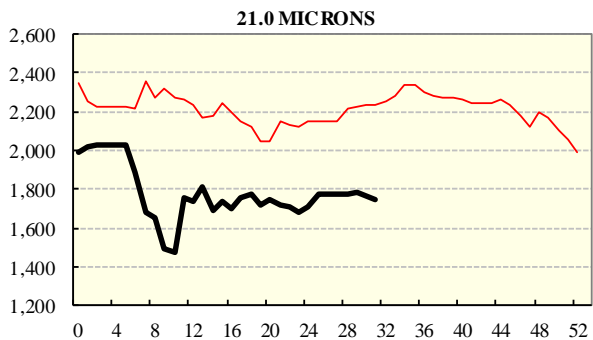
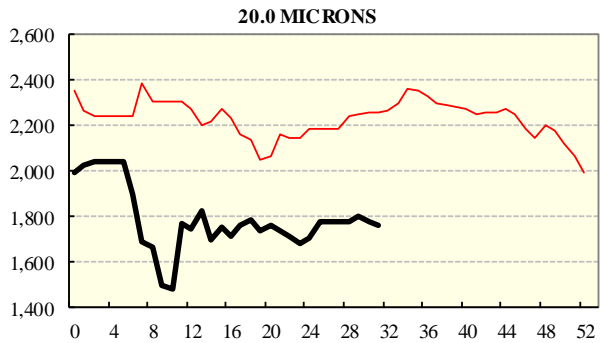
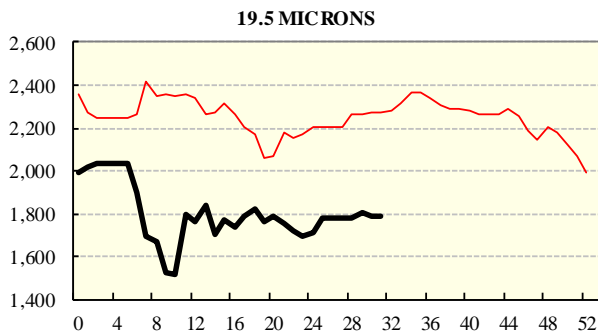
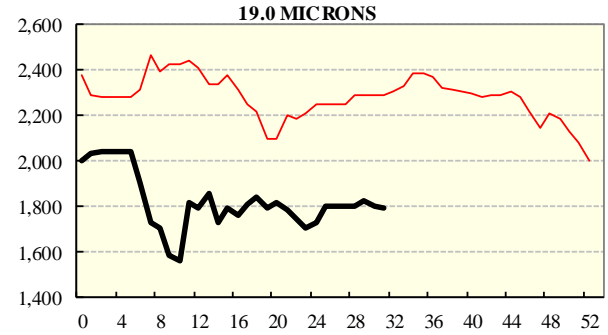
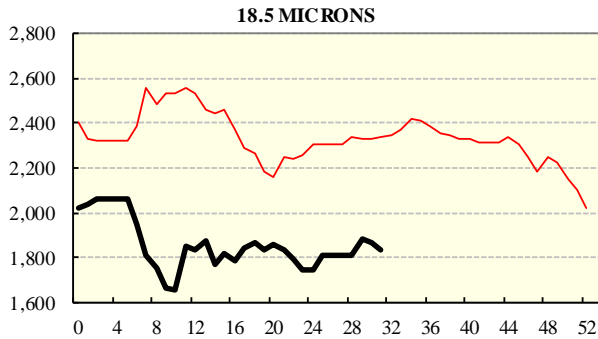
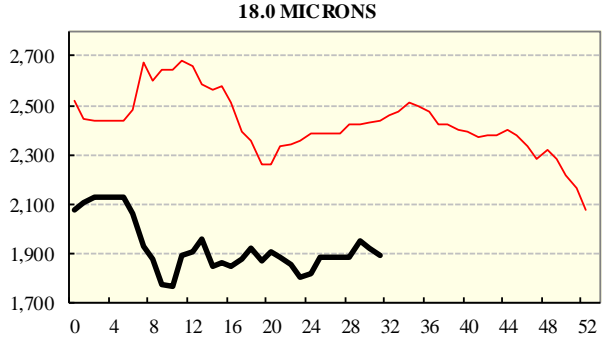
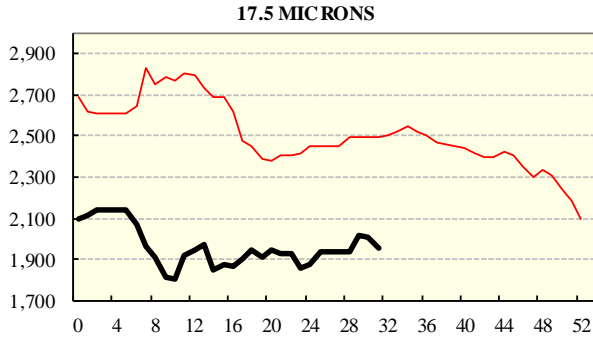
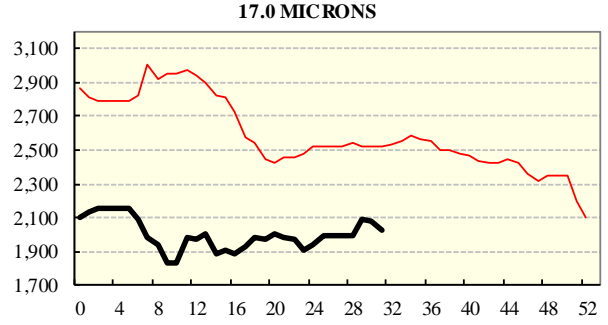
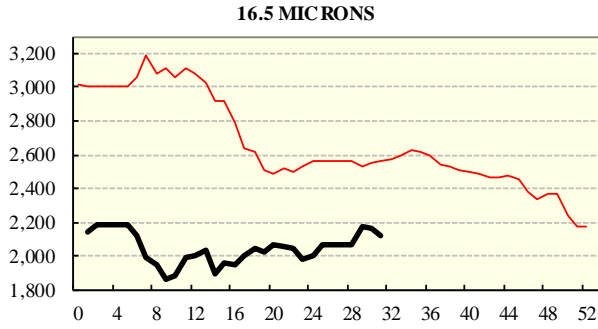
COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1578	-181
South	1529	-196
West	1683	-198

BALES OFFERED	
This Year	848,412
Last Year	947,190
Difference	-98,778
% Diff	-10.4%
FIRST OFFERED BALES	
Difference	-14.1%
% of Offering	90.3%

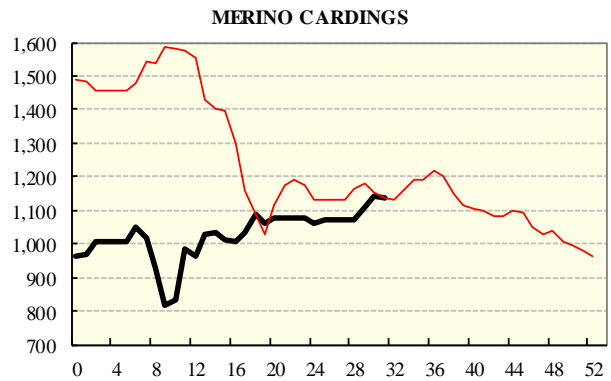
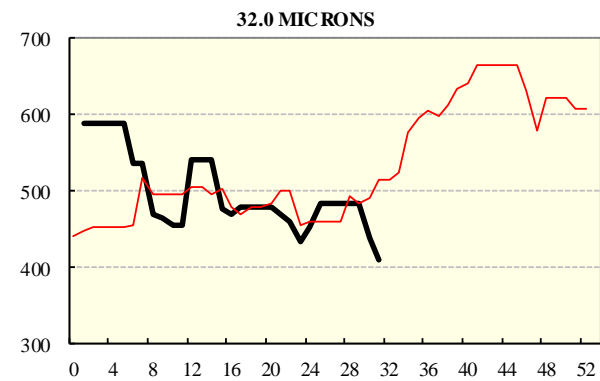
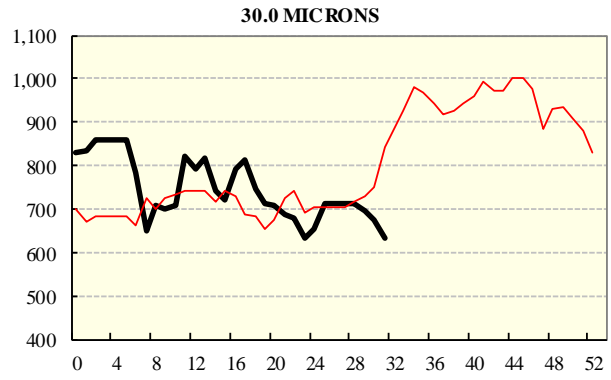
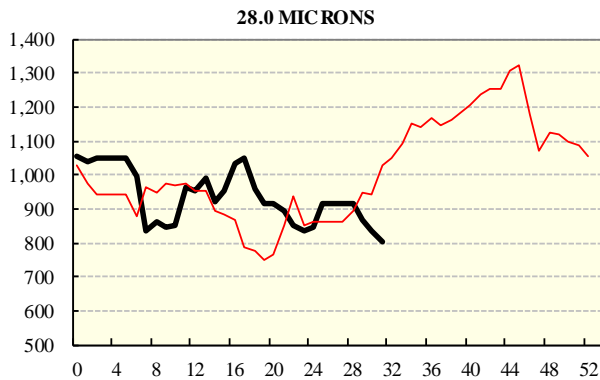
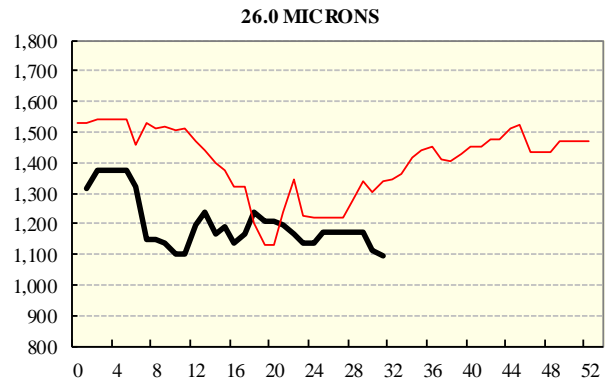
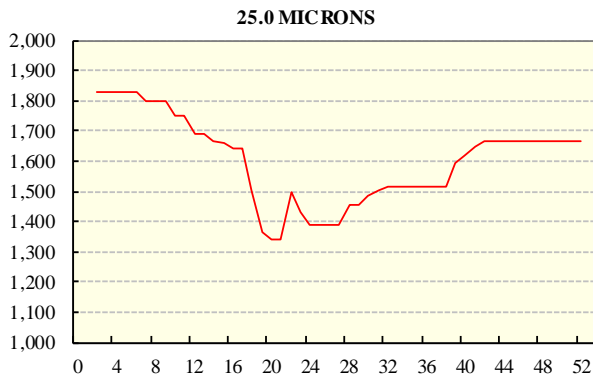
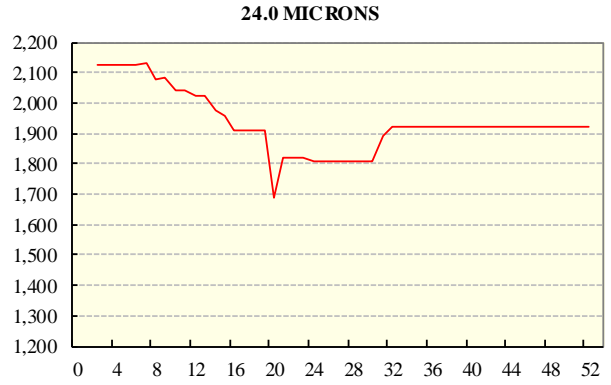
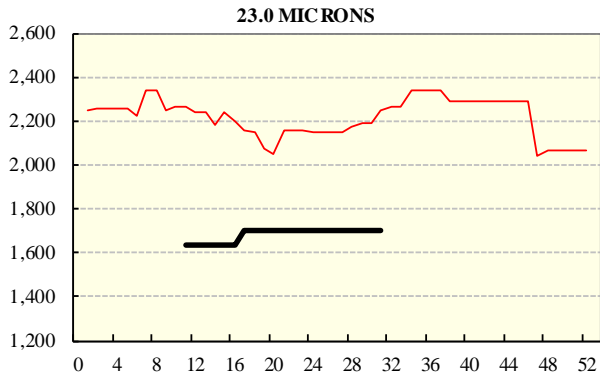
REGION BALES		
This Sale:		
North	8,938	
South	17,165	
West	7,597	
Progressive Totals:		Diff
North	237,410	-10.5%
South	434,205	-12.8%
West	176,797	-3.8%

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)

