

# AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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## AWIS WOOL MARKET REVIEW

Week Ending 4 October 2019 (Week 14).

The AWEX EMI finished at 1511¢, 98¢ lower (-6.1%) in Australian currency and 71¢ lower (-6.5%) in US currency at sales in Sydney, Melbourne and Fremantle this week.

33,548 bales were on offer nationally, compared with 27,374 bales last sale. 34.1% of the offering was passed in after 11.2% of the original offering had been withdrawn before sale.

AWEX reports that the value of the wool sold was \$37.8 million (\$1,710 per bale), taking the season total to \$458.0 million (\$1,734 per bale).

The New Zealand Merino Company also offered 3,473 bales in Melbourne on Thursday, of which 33.2% were passed in.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 14)									
Centre	Last Sale		Day-to-Day Changes (Week 14)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	13	1609	No Sale	-51	-47	-98 (-6.1%)	1511	-71	-66
Northern	13	1635	No Sale	-54	-43	-97 (-5.9%)	1538	-71	-65
Southern	13	1593	No Sale	-49	-51	-100 (-6.3%)	1493	-73	-67
Western	13	1702	No Sale	-37	-55	-92 (-5.4%)	1610	-68	-62

The wool market continued its roller-coaster ride this week. This was not unexpected after the weaker close in Fremantle on the previous Thursday. Growers reacted very strongly by passing in in a record level of wool. This was particularly so among the Merino Fleece wool, of which 30.9% was passed in on Wednesday and 58.2% was passed in on Thursday. There was no particular trend in the price falls across the micron ranges.

The US Exchange Rate eased by 0.41¢ on Tuesday after the Reserve Bank of Australia announced a fall of 0.25% in the official interest rate. It finished the week 0.35¢ (-0.5%) lower to close at 67.17¢ on Thursday.

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

In other countries, the South African Cape Wools Indicator on Wednesday was down by 2.7% since the previous week against a 2.0% depreciation of the Rand against the US Dollar and a 1.8% depreciation against the Euro.

Looking ahead, offerings for the coming three sales are expected to range from 33,086 bales to 35,685 bales and to be 1.4% more than in the same period last year. The forecast progressive difference to Week 17 is -16.9%.

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	74¢	138¢	139¢	184¢	No 16.5µ MPG

Market Indicator	Changes From			
	Four Sales Ago Week 10	Start of the Season	Week 14 Last Year	Season Average to Week 14 Last Year
Eastern Market Indicator	+146 (+10.7%)	-228 (-13.1%)	-481 (-24.1%)	-490 (-24.0%)
Western Market Indicator	+227 (+16.4%)	-271 (-14.4%)	-522 (-24.5%)	-548 (-24.9%)

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 ¢	-145	-116	-124	-114	-110	-128	-135	-132	-129			
Change %	-7.1%	-5.8%	-6.3%	-5.8%	-5.9%	-6.9%	-7.3%	-7.2%	-7.1%			
Since Start of the Season												
Change ¢	-271	-259	-276	-271	-282	-311	-326	-336	-338	-320		
Change %	-12.5%	-12.1%	-13.0%	-12.8%	-13.7%	-15.3%	-16.1%	-16.6%	-16.7%	-15.7%		
Since Same Week Last Year												
Change ¢	-1031	-936	-839	-717	-671	-612	-567	-526	-491	-447		
Change %	-35.3%	-33.2%	-31.2%	-28.0%	-27.5%	-26.2%	-25.0%	-23.7%	-22.6%	-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 ¢		-68	-70	-76		+4
Change %		-5.5%	-7.1%	-9.3%		+0.4%
Since Start of the Season						
Change ¢		-175	-123	-107		+46
Change %		-13.0%	-11.8%	-12.6%		+4.7%
Since Same Week Last Year						
Change ¢		-228	+30	+26		-371
Change %		-16.3%	+3.4%	+3.6%		-26.4%

# 6Average Merino Cardings Price Guide

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## AWIS WOOL MARKET REVIEW Week Ending 4 October 2019 (Week 14)

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 August ABS export data.

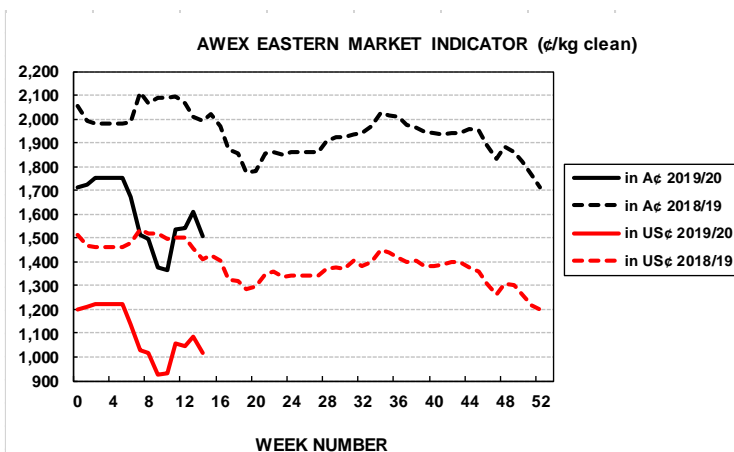
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re-Offered	Bales Sold
North	7,100	9,512	27.3%	10.1%	13.2%	6,912
South	13,525	16,737	35.1%	9.4%	13.7%	10,868
West	6,749	7,299	40.8%	16.3%	13.4%	4,321
<b>Australia</b>	<b>27,374</b>	<b>33,548</b>	<b>34.1%</b>	<b>11.2%</b>	<b>13.5%</b>	<b>22,101</b>

Progressive Changes from Last Year		
All Bales		1 <sup>st</sup> Time Bales
Bales	%	%
-27,537	-20.9%	-25.6%
-55,178	-25.7%	-30.9%
-5,992	-8.8%	-19.5%
<b>-88,707</b>	<b>-21.4%</b>	<b>-27.4%</b>

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 15	Week 16	Week 17	Differences
North	8,341	9,075	7,980	<b>0.0%</b>
South	18,085	19,310	17,756	<b>+0.6%</b>
West	7,748	7,300	7,350	<b>+5.1%</b>
<b>New Zealand</b>				
<b>Australia</b>	<b>34,174</b>	<b>35,685</b>	<b>33,086</b>	<b>102,945</b>
<b>Differences</b>	<b>+6.6%</b>	<b>-1.1%</b>	<b>-0.9%</b>	<b>+1.4%</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	67.52	+0.10	-0.13	-0.41	+0.06	+0.03	-0.35 (-0.5%)	67.17	67.17	70.36
Euro	61.63	+0.29	-0.21	-0.11	-0.20	-0.10	-0.33 (-0.5%)	61.30	60.42	62.48

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change	
	August 2019	July to August 2019/20	July to August 2018/19	By Weight	By Value
China	72.3%	74.7%	73.2%	-13.3%	-25.8%
India	8.2%	5.7%	6.9%	-29.6%	-36.6%
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	1555
Last Year	1939
2017/18	1739
2016/17	1408
2015/16	1254

SEASON AVERAGES		
Region	This Year	Diff
North	1579	-402
South	1539	-374
West	1650	-439

THIS YEAR'S EMI	
This Week	1511
First Week	1723
Low (0/01)	1365
High (0/01)	1754

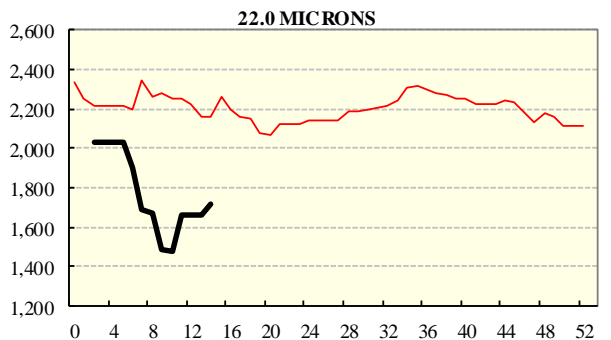
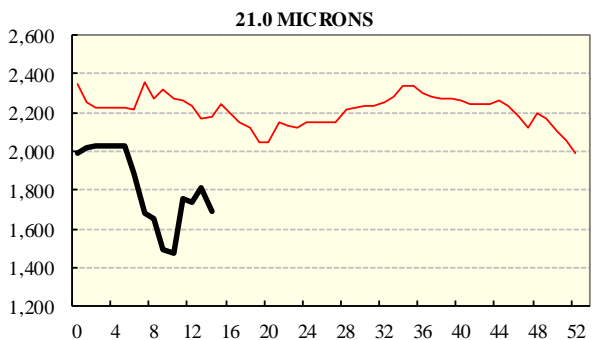
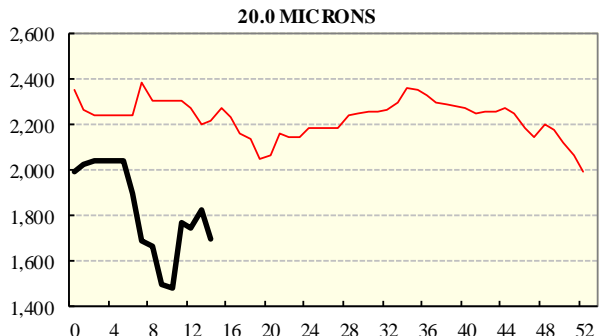
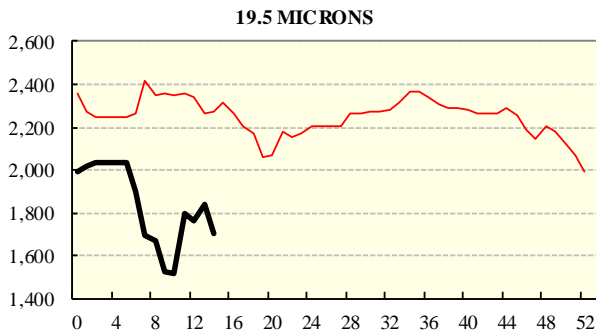
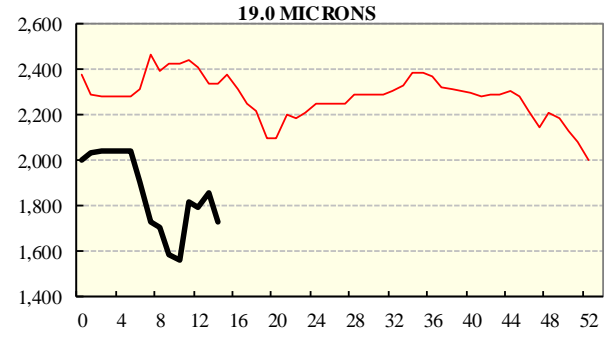
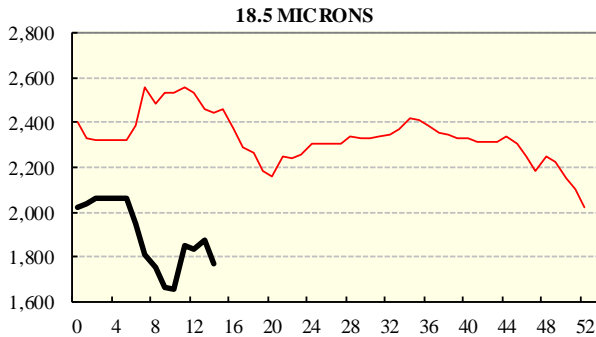
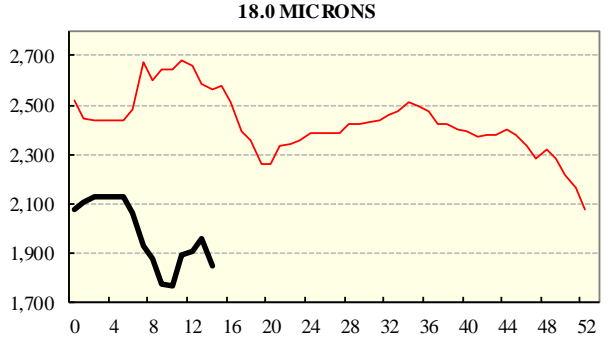
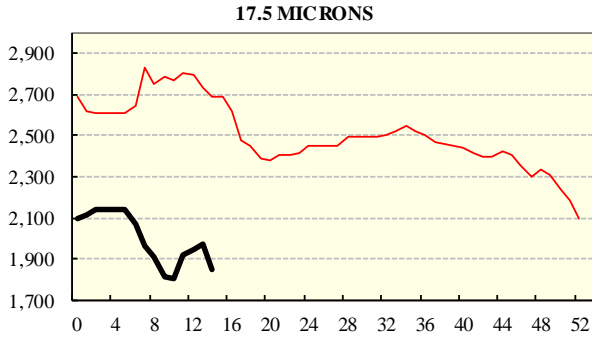
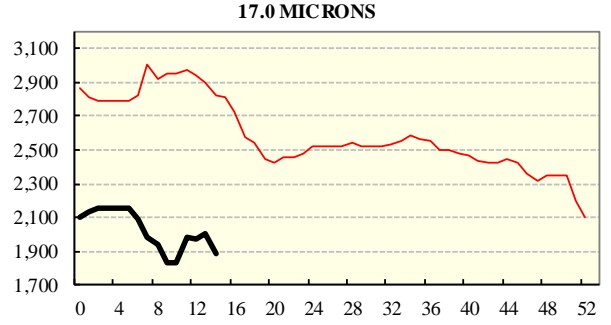
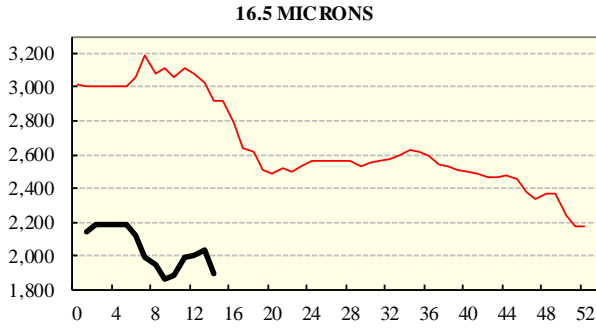
COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1538	-221
South	1493	-232
West	1610	-271

BALES OFFERED	
This Year	325,739
Last Year	414,446
Difference	-88,707
% Diff	-21.4%
FIRST OFFERED BALES	
Difference	-27.4%
% of Offering	88.6%

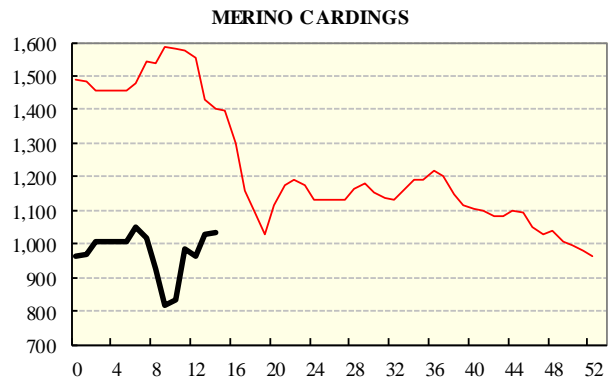
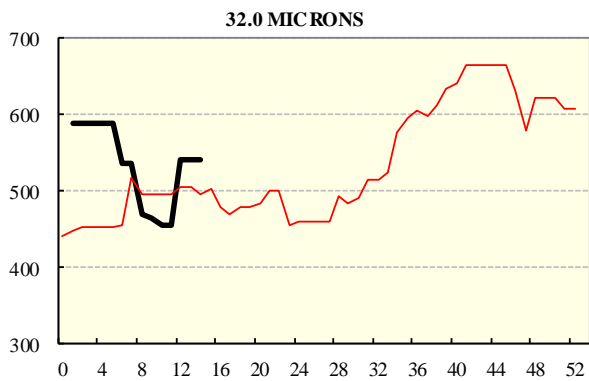
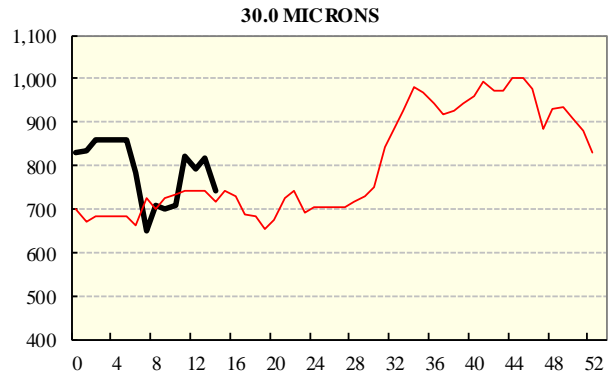
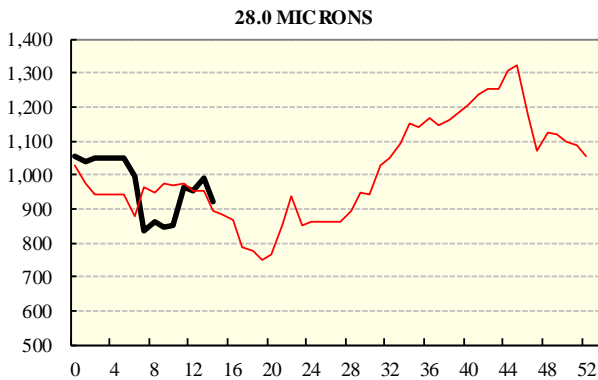
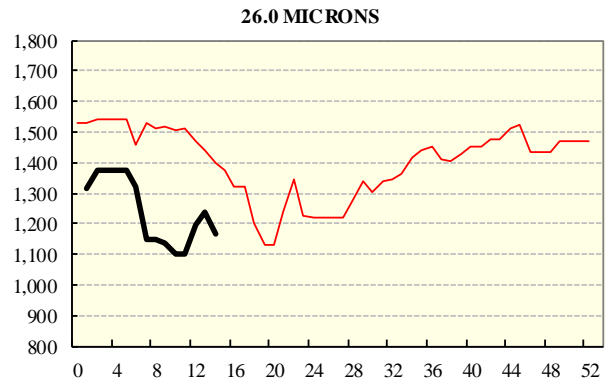
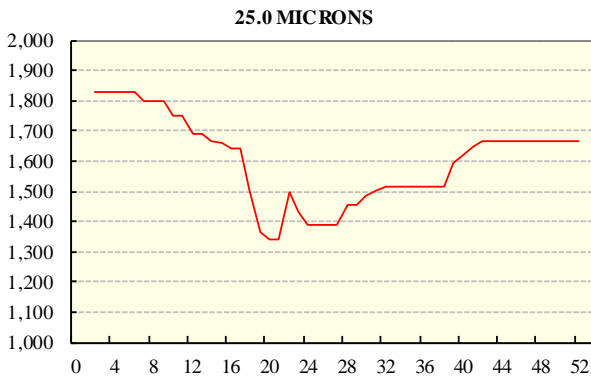
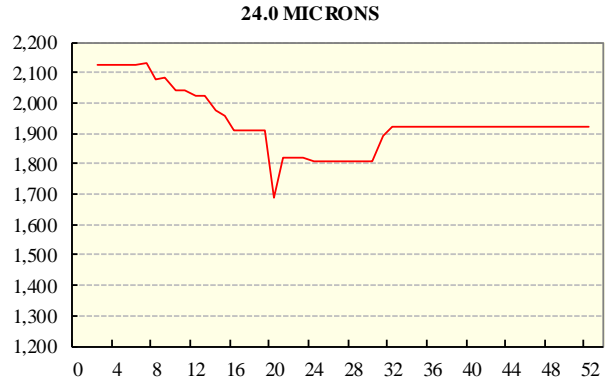
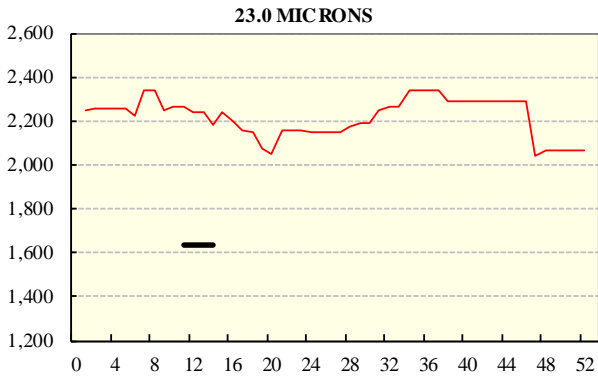
REGION BALES		
This Sale:		
North	9,512	
South	16,737	
West	7,299	
Progressive Totals:		Diff
North	104,260	-20.9%
South	159,666	-25.7%
West	61,813	-8.8%

## AVERAGE AWEX MICRON PRICE GUIDES

ahc ( black graph line) and 2018/19 ( red graph line)



## AVERAGE AWEX MICRON PRICE GUIDES ahc ( 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)

