

# AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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## AWIS WOOL MARKET REVIEW

Week Ending 5 July 2019 (Week 01)

The AWEX EMI finished 8¢ higher (+0.5%) in Australian currency and 13¢ higher (+1.1%) in US currency at the first sale of the new season in Sydney, Melbourne and Fremantle this week.

This was the first lift in the EMI since Week 48 when the EMI rose from 1833¢ to 1887¢.

30,991 bales were on offer nationally, compared with 29,167 bales last sale. 6.4% of the offering was passed in.

AWEX reports that the value of the wool sold was \$53.9 million (\$1,858 per bale), taking the season total to \$53.9 million. Last season's average was \$2,140 per bale.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 01)									
Centre	Last Sale		Day-to-Day Changes (Week 01)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	52	1715	No Sale	-5	+13	+8 (+0.5%)	1723	+13	+18
Northern	52	1731	No Sale	-2	+9	+7 (+0.4%)	1738	+13	+18
Southern	52	1705	No Sale	-7	+15	+8 (+0.5%)	1713	+13	+18
Western	52	1832	No Sale	+16	+19	+35 (+1.9%)	1867	+33	+36

The market was much more settled on Wednesday, prior to firming on Thursday. All Merino MPGs finished in positive territory, while crossbreds had a more mixed week. Oddments also had mixed week, before the AWEX average Merino Cardings Index finished 4¢ up for the week. There was an expectation in the trade of a better week after the recent falls.

The US Exchange Rate finished 0.44¢ (0.6%) higher to close at 70.36¢ on Thursday. The US Exchange rate was boosted by good overall Australian export data; and was probably assisted by a week without all the rhetoric that took place in the lead-up to, and during, the G20 Meeting in Japan

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

Looking ahead, the offering for the coming sale (the last before the three week mid-year break) is expected to be 34,831 bales and to be 14.1% less than in the same period last year.

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 49	Start of the Season	Week 01 Last Year	Season Average to Week 01 Last Year
Eastern Market Indicator	-141 (-7.6%)	0 (0.0%)	-271 (-13.6%)	-271 (-13.6%)
Western Market Indicator	No Sale	0 (0.0%)	-287 (-13.3%)	-287 (-13.3%)

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 ¢		+35	+16	+24	+23	+32	+27	+30	+29			
Change %		+1.7%	+0.8%	+1.2%	+1.1%	+1.6%	+1.4%	+1.5%	+1.5%			
Since Start of the Season												
Change ¢	0	0	0	0	0	0	0	0	0			
Change %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%			
Since Same Week Last Year												
Change ¢	-867	-676	-502	-339	-290	-259	-251	-244	-242			
Change %	-28.8%	-24.1%	-19.2%	-13.9%	-12.4%	-11.3%	-11.0%	-10.8%	-10.7%			

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 ¢			-16	+4		+4
Change %			-1.5%	+0.5%		+0.4%
Since Start of the Season						
Change ¢		0	0	0	0	0
Change %		0.0%	0.0%	0.0%	0.0%	0.0%
Since Same Week Last Year						
Change ¢			+67	+165	+141	-514
Change %			+6.9%	+24.6%	+31.5%	-34.7%

# Average Merino Cardings Price Guide

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## AWIS WOOL MARKET REVIEW Week Ending 5 July 2019 (Week 01)

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 October ABS export data.

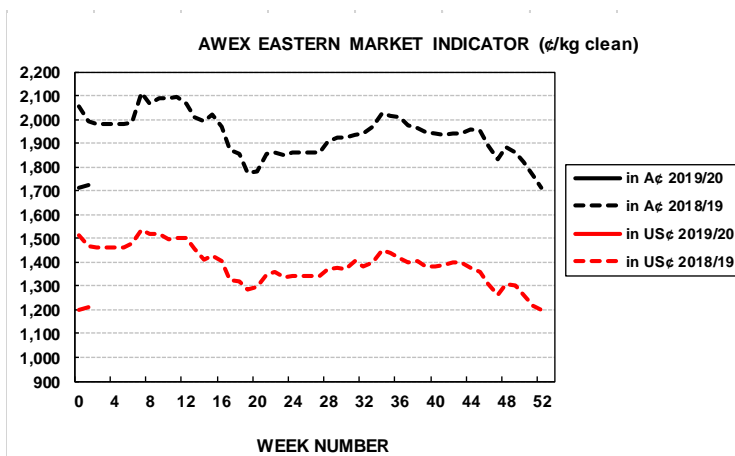
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re- Offered	Bales Sold
North	7,859	12,368	4.3%	6.8%	4.8%	11,836
South	14,995	10,965	6.7%	7.5%	8.7%	10,231
West	6,313	7,658	9.3%	11.9%	8.1%	6,944
<b>Australia</b>	<b>29,167</b>	<b>30,991</b>	<b>6.4%</b>	<b>8.4%</b>	<b>7.0%</b>	<b>29,011</b>

Progressive Changes from Last Year		
All Bales		1 <sup>st</sup> Time Bales
Bales	%	%
-3,362	-21.4%	-23.9%
-8,251	-42.9%	-47.2%
-1,276	-14.3%	-18.6%
<b>-12,889</b>	<b>-29.4%</b>	<b>-33.1%</b>

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 02	Week 03	Week 04	Differences
North	11,944	No Sale	No Sale	<b>-17.5%</b>
South	17,681	No Sale	No Sale	<b>-19.7%</b>
West	5,206	No Sale	No Sale	<b>+28.6%</b>
<b>New Zealand</b>				
<b>Australia</b>	<b>34,831</b>			<b>34,831</b>
<b>Differences</b>	<b>-14.1%</b>			<b>-14.1%</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	69.92	+0.21	-0.19	-0.15	+0.19	+0.38	+0.44 (+0.6%)	70.36	70.36	70.36
Euro	61.57	+0.14	+0.03	+0.06	+0.18	+0.38	+0.79 (+1.3%)	62.36	62.36	62.36

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to May	
	May 2019	July to May 2018/19	July to May 2017/20	By Weight	By Value
China	82.0%	77.7%	78.7%	-14.0%	-0.1%
India	4.8%	5.8%	5.6%	-9.9%	+3.9%
Italy	2.8%	4.8%	4.2%	-1.1%	+9.6%
Czech Republic	3.2%	3.6%	5.3%	-41.2%	-31.3%
Korea	2.4%	2.5%	1.5%	+44.0%	+57.9%
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	1723
Last Year	1939
2017/18	1739
2016/17	1408
2015/16	1254

SEASON AVERAGES		
Region	This Year	Diff
North	1738	-244
South	1713	-199
West	1867	-221

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

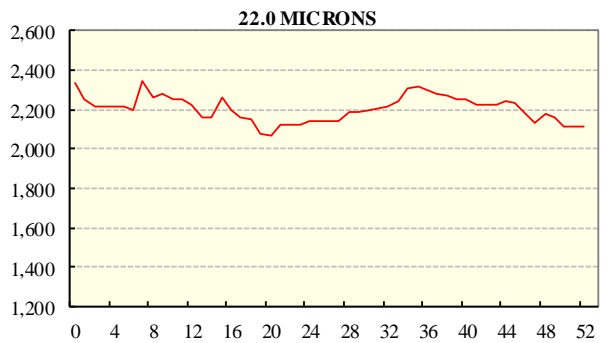
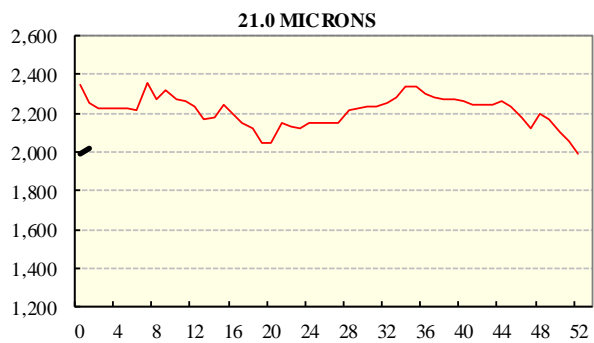
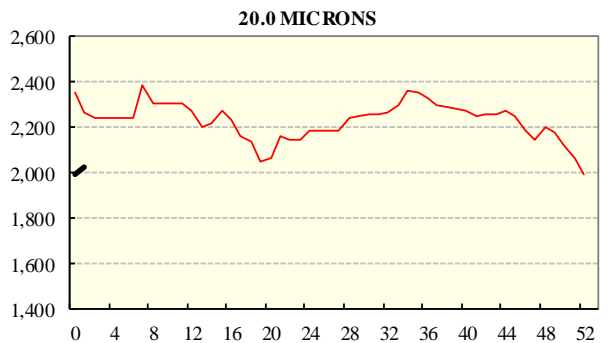
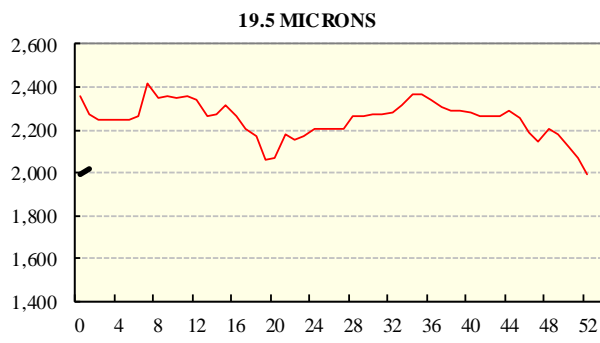
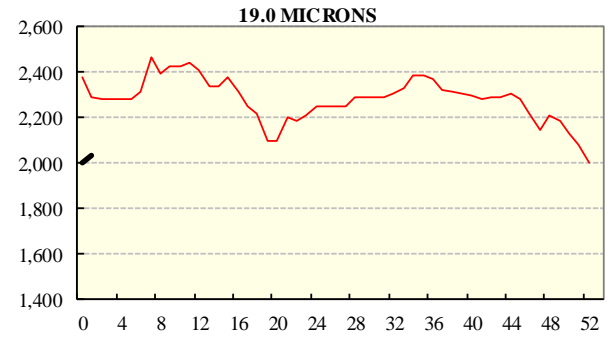
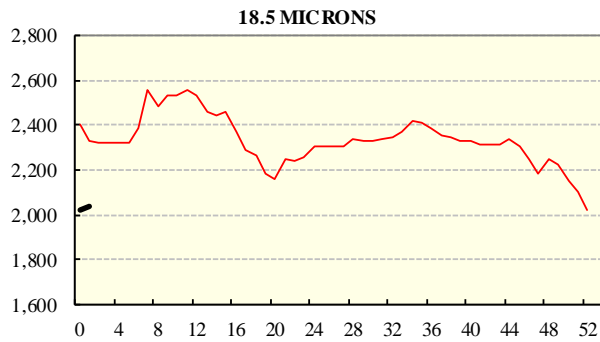
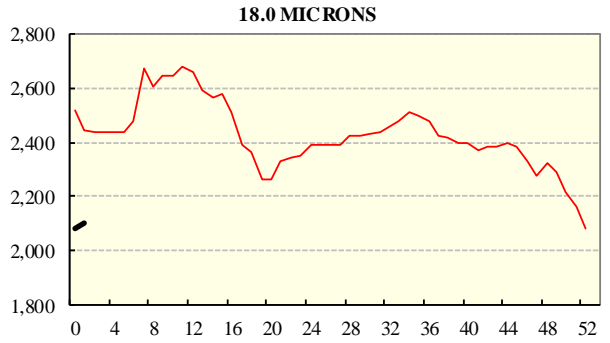
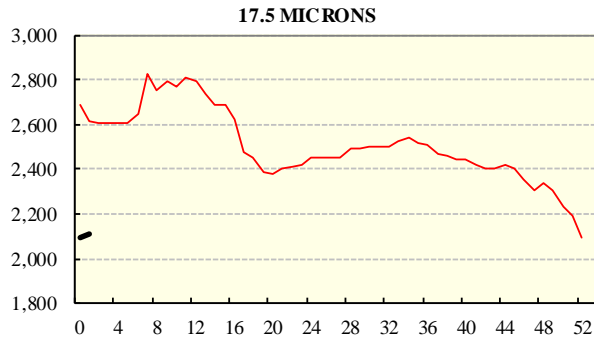
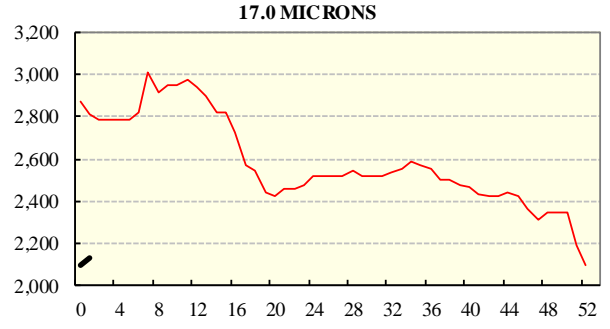
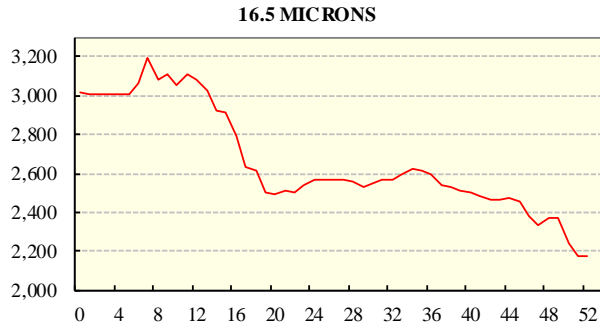
COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1738	
South	1713	
West	1867	

BALES OFFERED	
This Year	30,991
Last Year	43,880
Difference	-12,889
% Diff	-29.4%
FIRST OFFERED BALES	
Difference	-33.1%
% of Offering	93%

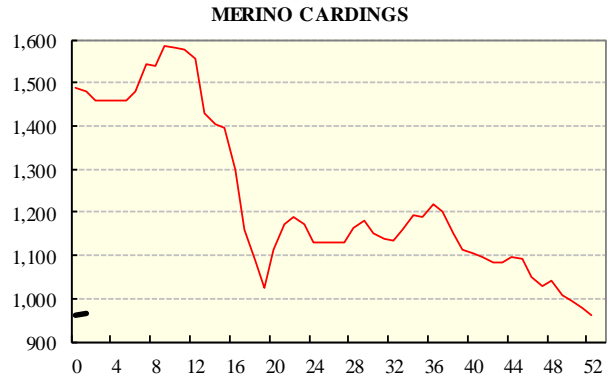
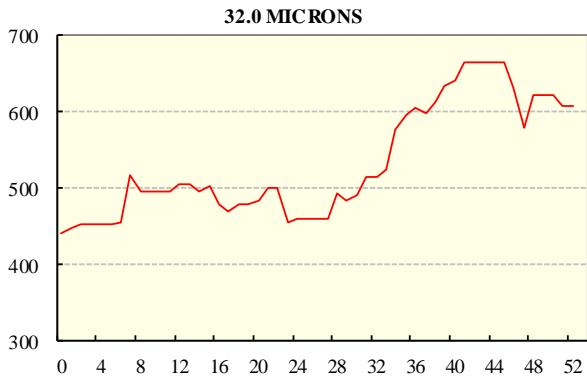
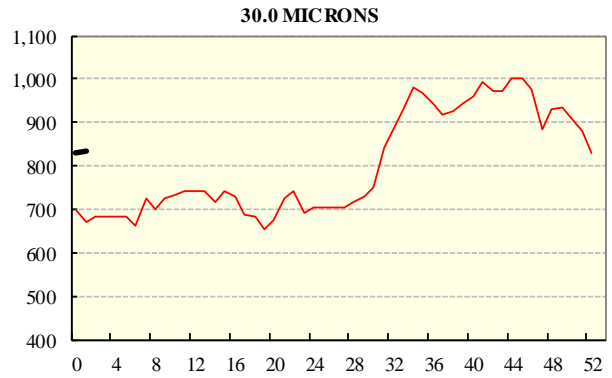
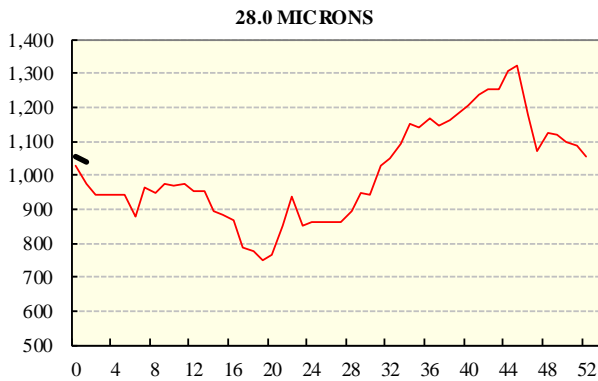
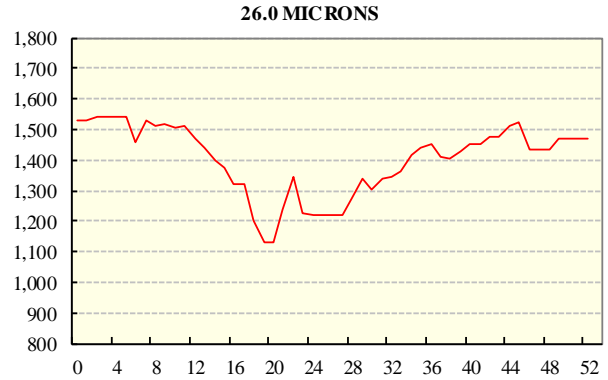
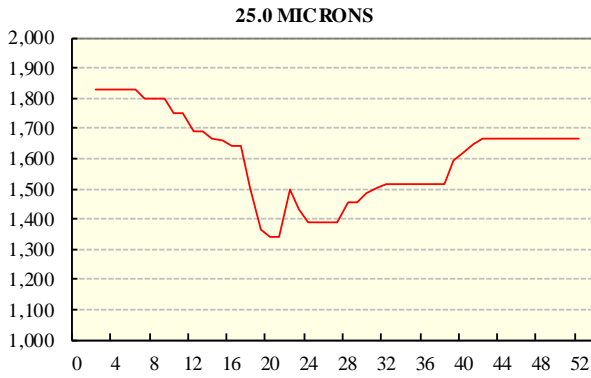
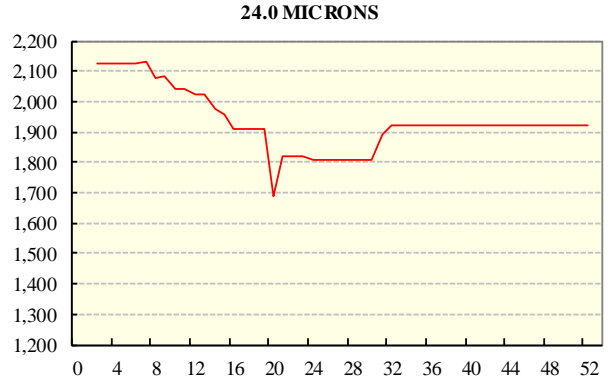
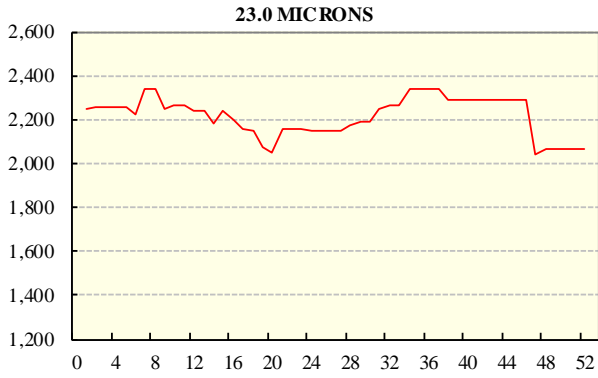
REGION BALES		
This Sale:		
North	12,368	
South	10,965	
West	7,658	
Progressive Totals:		Diff
North	12,368	-21.4%
South	10,965	-42.9%
West	7,658	-14.3%

## **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)

