

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW

Week Ending 6 March 2020 (Week 36)

The AWEX EMI finished at 1562¢, 19¢ lower (-1.2%) in Australian currency and 17¢ lower (-1.6%) in US currency when sales resumed in Sydney, Melbourne and Fremantle in Week 36, following the cancellation of sales in Week 35 when a cyber attack took down the operational ability of the key supplier of electronic services to the wool industry.

62,166 bales were on offer nationally in a re-adjusted roster, compared with 39,018 bales in Week 34. 23.7% of the offering was passed in after 7.7% of the potential offering was withdrawn prior to sale.

It was the first sale to exceed 60,000 since January 2009 when 60,867 bales were on offer.

AWEX reports that the value of the wool sold was \$81.1 million (\$1,710 per bale), taking the season total to \$1.467 billion (\$1,713 per bale). The number of bales sold at auction this season is now 18.8% less than in 2018/19.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 36)									
Centre	Last Sale		Day-to-Day Changes (Week 36)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	34	1581	No Sale	+3	-22	-19 (-1.2%)	1562	-17	-46
Northern	34	1618	No Sale	+4	-17	-13 (-0.8%)	1605	-13	-42
Southern	34	1558	No Sale	+2	-24	-22 (-1.4%)	1536	-19	-46
Western	34	1710	No Sale	-12	-36	-48 (-2.8%)	1662	-37	-65

Sales opened strongly on Wednesday before easing towards the end of the day; and again on Thursday when there were greater numbers of lesser types. Sellers again responded strongly to the lower prices, with a Withdrawn Rate of 7.3% and a Pass-In Rate of 32.1% on Thursday.

Merino prices were down slightly across all micron ranges apart from 18.5 to 19.5 microns where the falls were greater.

The US Exchange Rate finished 0.30¢ (-0.5%) lower to close at 66.20¢ on Thursday, the lowest closing level for the season, following the Reserve Banks of Australia's decision to lower the official Cash Rate from 0.75% to 0.5% on Tuesday.

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

In other countries, the South African Cape Wools Indicator was down by 3.1% since last week against a 0.2% depreciation of the Rand against the US Dollar and a 2.2% depreciation against the Euro.

There is no Four Week Forecast of the likely offerings over the coming weeks, given the disruption and uncertainty of the last two weeks. However, AWEX has advised that 46,700 bales are currently expected to be offered for sale next week.

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	Four Sales Ago Week 31	Changes From			Season Average to Week 36 Last Year
		Start of the Season	Week 36 Last Year	Week 36 Last Year	
Eastern Market Indicator	+5 (+0.3%)	-158 (-9.1%)	-446 (-22.0%)	-404 (-20.6%)	
Western Market Indicator	+25 (+1.5%)	-171 (-9.1%)	-451 (-20.9%)	-451 (-21.4%)	

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 ¢	-26	-15	-8	-16	-45	-41	-31	-26	-25			
Change %	-1.2%	-0.7%	-0.4%	-0.8%	-2.4%	-2.2%	-1.7%	-1.4%	-1.4%			
Since Start of the Season												
Change ¢	-23	-79	-123	-179	-220	-237	-235	-243	-254			
Change %	-1.1%	-3.7%	-5.8%	-8.5%	-10.7%	-11.6%	-11.6%	-12.0%	-12.6%			
Since Same Week Last Year												
Change ¢	-455	-492	-502	-536	-556	-564	-546	-540	-534			
Change %	-17.5%	-19.2%	-20.0%	-21.7%	-23.3%	-23.9%	-23.3%	-23.2%	-23.2%			

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 ¢			+1	-5	+1	0
Change %			+0.1%	-0.6%	+0.2%	0.0%
Since Start of the Season						
Change ¢			-195	-162	-189	-181
Change %			-14.5%	-15.5%	-22.3%	-30.7%
Since Same Week Last Year						
Change ¢			-301	-284	-282	-198
Change %			-20.8%	-24.3%	-30.0%	-32.7%

MC Average Merino Cardings Price Guide

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For further information

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AWIS WOOL MARKET REVIEW Week Ending 6 March 2020 (Week 36)

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 January ABS export data.

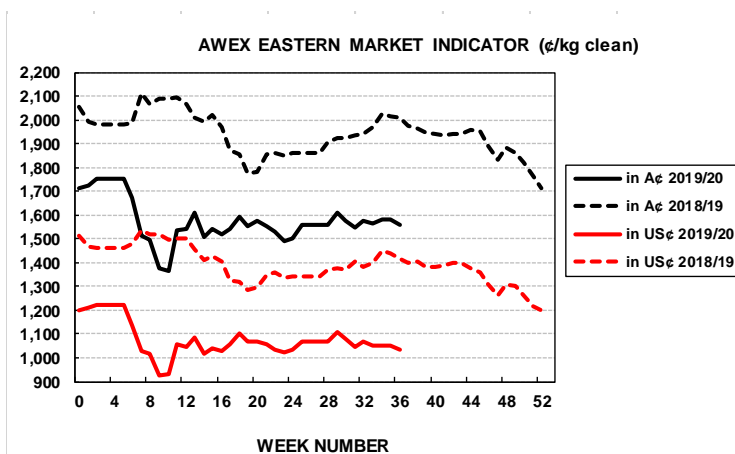
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re-Offered	Bales Sold
North	7,793	18,043	17.8%	2.0%	11.7%	14,825
South	18,983	29,315	22.9%	12.4%	11.8%	22,603
West	12,242	14,808	32.5%	4.3%	15.3%	9,993
Australia	39,018	62,166	23.7%	7.7%	12.6%	47,421

Progressive Changes from Last Year		
All Bales		1 st Time Bales
Bales	%	%
-35,926	-11.4%	-15.1%
-95,888	-15.6%	-18.7%
-9,147	-4.0%	-9.6%
-140,961	-12.1%	-15.9%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 37	Week 38	Week 39	Differences
North	8870			
South	25312			
West	12498			
Australia	46,680			0
Differences	+3.4%			

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	66.50	-1.26	-0.02	+0.30	+0.43	+0.25	-0.30 (-0.5%)	66.20	66.20	70.36
Euro	61.58	-2.24	-0.34	-0.21	+0.29	+0.35	-2.15 (-3.5%)	59.43	59.43	62.48

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to January	
	January 2020	July to January 2019/20	July to January 2018/21	By Weight	By Value
China	79.3%	77.1%	74.9%	-11.4%	-30.5%
India	5.9%	6.1%	6.4%	-17.7%	-33.8%
Italy	3.2%	5.5%	6.1%	-22.3%	-39.1%
Czech Republic	3.6%	3.2%	3.9%	-30.1%	-49.2%
Korea	2.2%	2.1%	2.7%	-32.4%	-44.4%
Egypt	0.6%	1.2%	0.9%	+13.2%	-11.4%
Thailand	0.4%	0.9%	1.0%	-26.1%	-48.6%
Bulgaria	0.9%	0.7%	0.4%	+30.4%	+35.2%
Change all Countries				-13.9%	-32.6%



AVERAGE EMI	
This Year	1555
Last Year	1939
2017/18	1739
2016/17	1408
2015/16	1254

SEASON AVERAGES		
Region	This Year	Diff
North	1585	-396
South	1535	-378
West	1659	-429

THIS YEAR'S EMI	
This Week	1562
First Week	1723
Low (10/01)	1365
High (11/01)	1754

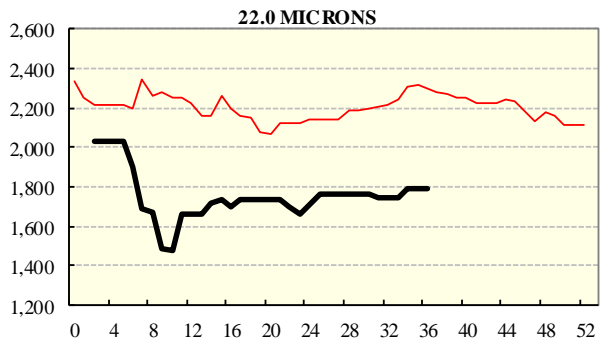
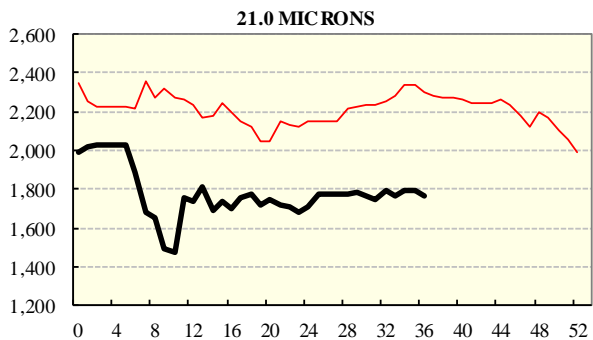
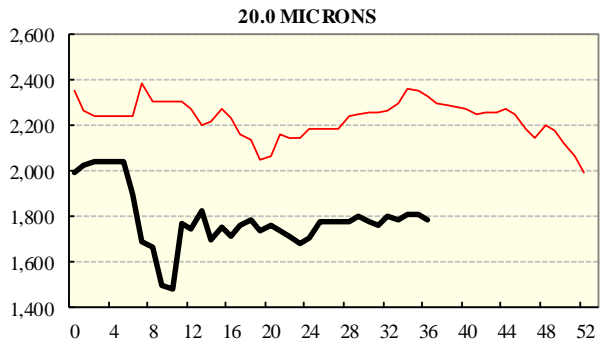
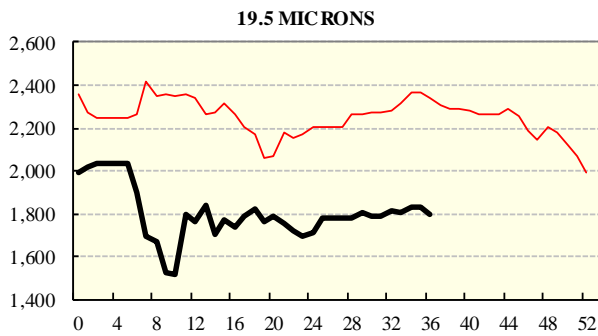
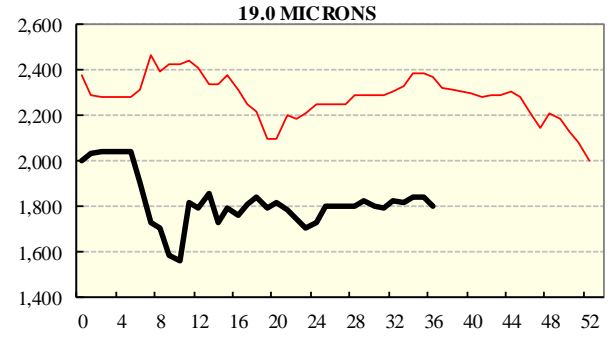
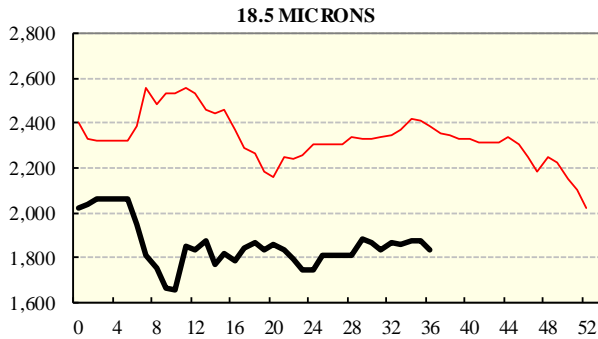
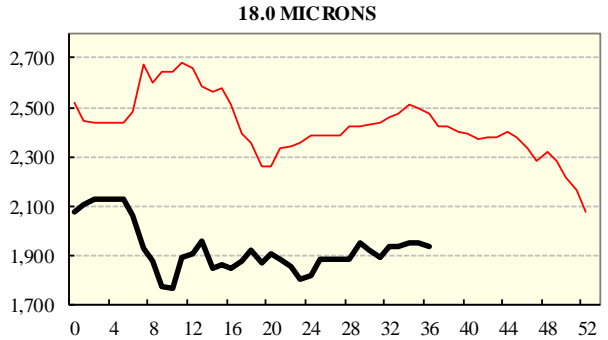
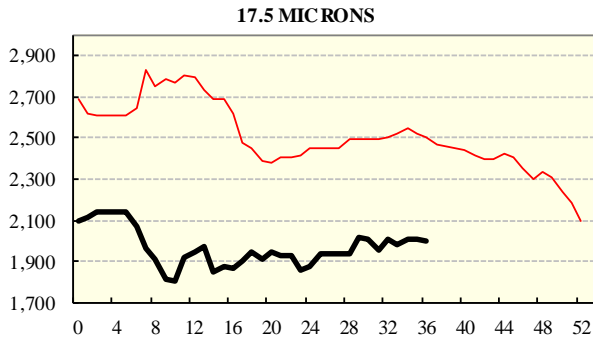
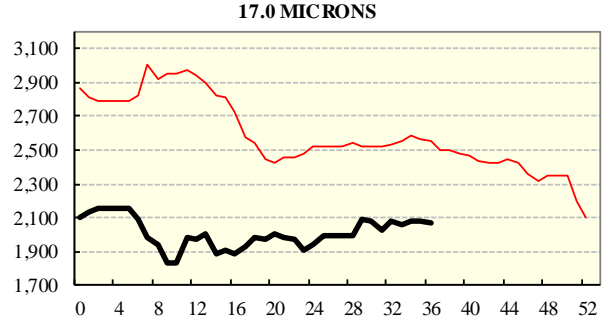
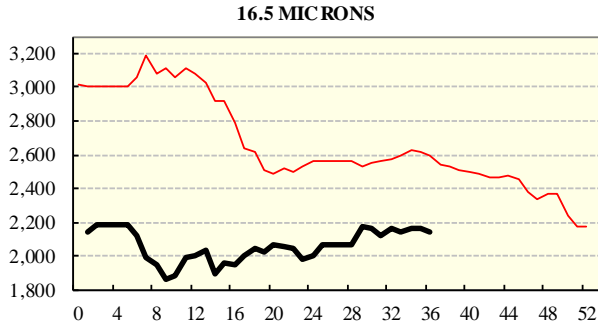
COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1605	-154
South	1536	-189
West	1662	-219

BALES OFFERED	
This Year	1,020,334
Last Year	1,161,295
Difference	-140,961
% Diff	-12.1%
FIRST OFFERED BALES	
Difference	-15.9%
% of Offering	89.8%

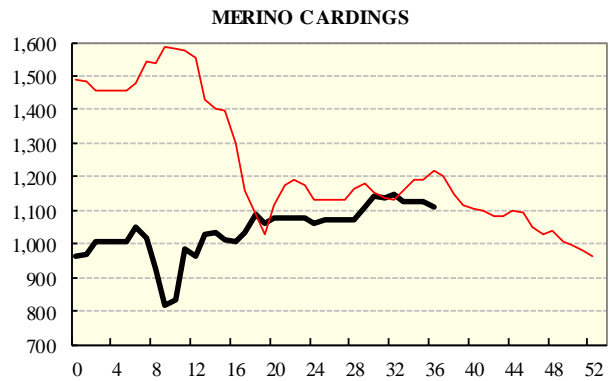
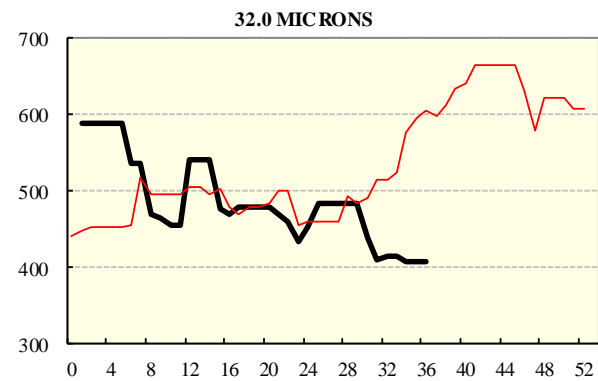
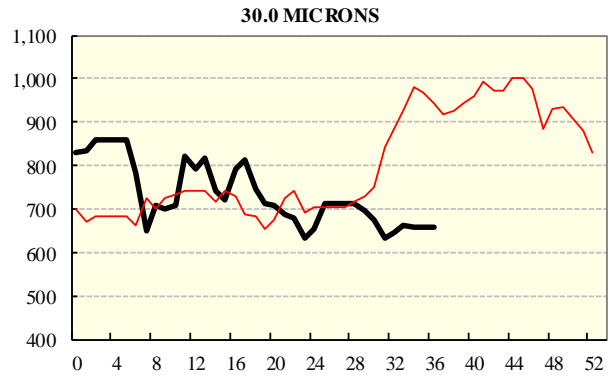
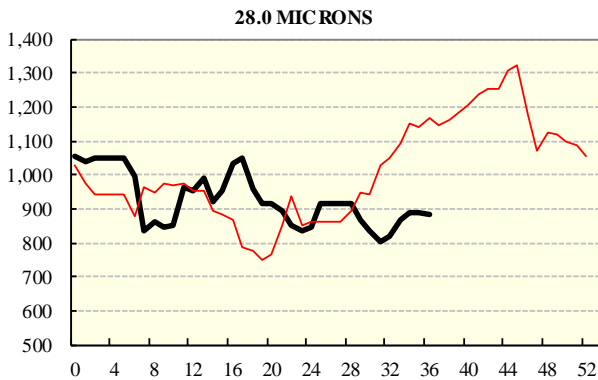
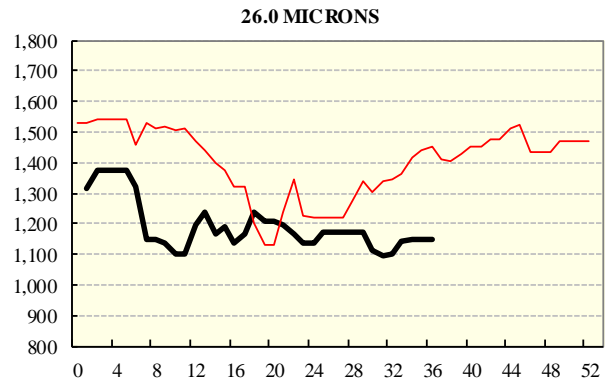
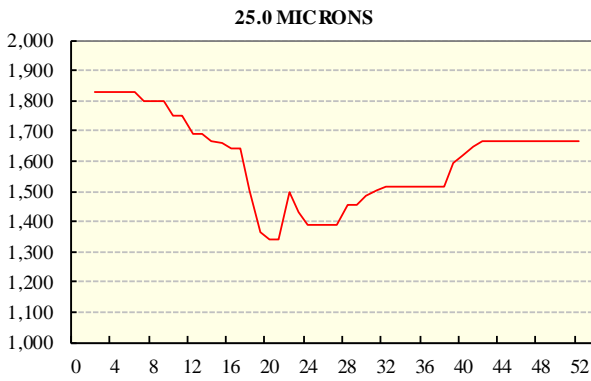
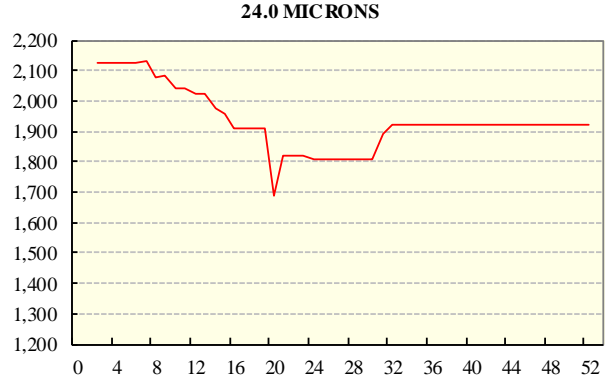
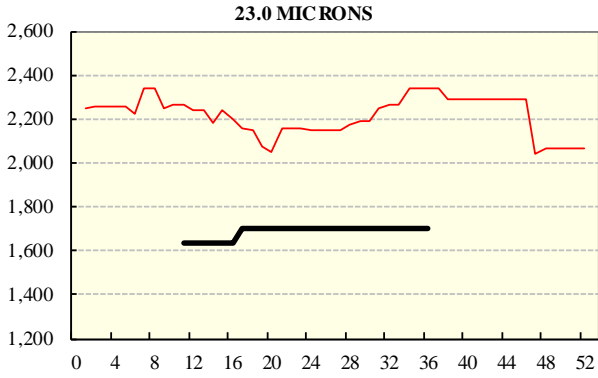
REGION BALES		
This Sale:		
North	18,043	
South	29,315	
West	14,808	
Progressive Totals:		Diff
North	280,297	-11.4%
South	518,004	-15.6%
West	222,033	-4.0%

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)

