

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW

Week Ending 6 September 2019 (Week 10).

There were some positive signs in the market at sales in Sydney, Melbourne and Fremantle this week.

Although the AWEX EMI finished 10¢ lower (-0.7%) at 1365¢ in Australian currency, it was up by 7¢ (+0.8%) in US currency; and up by 22¢ in A\$ and by 21¢ in US\$ on Thursday.

There were trade reports were of stronger competition in the sale rooms and of some business being done late last week.

21,694 bales were on offer nationally, compared with 25,272 bales last sale. 11.8% of the offering was passed in; and 24.3% of the initial offering was withdrawn prior to sale.

AWEX reports that the value of the wool sold was \$29.2 million (\$1,526 per bale), taking the season total to \$295.1 million (\$1,743 per bale).

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 10)									
Centre	Last Sale		Day-to-Day Changes (Week 10)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	09	1375	No Sale	-32	+22	-10 (-0.7%)	1365	+7	+10
Northern	09	1405	No Sale	-27	+30	+3 (+0.2%)	1408	+16	+18
Southern	09	1356	No Sale	-34	+16	-18 (-1.3%)	1338	0	+5
Western	09	1416	No Sale	-33	No Sale	-33 (-2.3%)	1383	-9	-4

The trend on Wednesday was similar to that seen on both days in the previous week's sale, with Crossbreds being less affected than the Merinos: and the fine Merinos being less affected than the medium and broader ones.

However, Thursday was another day. The Merinos did well with the medium and broader wools reversing Wednesday's trend; and doing better than those at the fine end. Crossbreds were unchanged, while Oddments all moved up.

The US Exchange Rate finished 0.95¢ (1.4%) higher to close at 68.17¢ on Thursday.

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

In other countries, sales resumed after the extended break in South Africa. The Cape Wools Indicator was down by 28.3% since the last sale in the first week in June. The EMI fell by 27.4% in the same period.

Looking ahead, offerings for the coming three sales are expected to range from 27,923 bales to 33,465 bales and to be 11.9% less than in the same period last year. The forecast progressive difference to Week 13 is -18.8%.

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	201¢	269¢	330¢	345¢	404¢

Market Indicator	Changes From			
	Four Sales Ago Week 06	Start of the Season	Week 10 Last Year	Season Average to Week 10 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 ¢	+12	+1	-8	-10	-7	-22	-15	-21	-19	-8		
Change %	+0.6%	+0.1%	-0.4%	-0.6%	-0.4%	-1.4%	-1.0%	-1.4%	-1.3%	-0.5%		
Since Start of the Season												
Change ¢	-282	-311	-319	-352	-396	-475	-517	-550	-550	-556		
Change %	-13.0%	-14.5%	-15.0%	-16.6%	-19.3%	-23.3%	-25.5%	-27.1%	-27.2%	-27.3%		
Since Same Week Last Year												
Change ¢	-1174	-1113	-962	-878	-877	-865	-840	-826	-797	-776		
Change %	-38.4%	-37.8%	-34.7%	-33.2%	-34.6%	-35.6%	-35.7%	-35.9%	-35.1%	-34.4%		

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 ¢		-35	+6	+5	-8	+17
Change %		-3.1%	+0.7%	+0.7%	-1.7%	+2.1%
Since Start of the Season						
Change ¢		-244	-194	-142	-133	-155
Change %		-18.2%	-18.6%	-16.7%	-22.6%	-15.7%
Since Same Week Last Year						
Change ¢		-404	-120	-28	-39	-751
Change %		-26.9%	-12.4%	-3.8%	-7.9%	-47.4%

Average Merino Cardings Price Guide

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AWIS WOOL MARKET REVIEW Week Ending 6 September 2019 (Week 10)

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 July ABS export data.

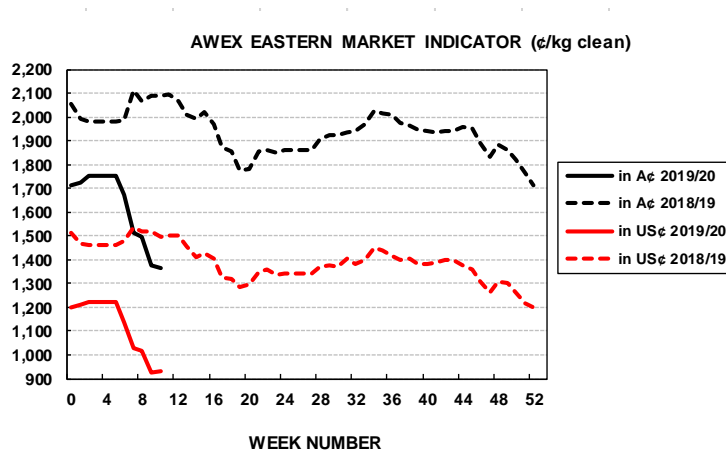
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re-Offered	Bales Sold
North	6,951	7,039	14.9%	20.7%	11.3%	5,990
South	11,430	11,619	9.9%	25.5%	10.3%	10,471
West	6,891	3,036	11.9%	27.7%	22.4%	2,675
Australia	25,272	21,694	11.8%	24.3%	12.3%	19,136

Progressive Changes from Last Year		
All Bales		1 st Time Bales
Bales	%	%
-18,993	-20.5%	-23.6%
-33,212	-24.1%	-28.9%
-6,175	-14.3%	-22.8%
-58,380	-21.3%	-26.2%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 11	Week 12	Week 13	Differences
North	6,289	8,800	7,670	-21.0%
South	16,237	18,165	14,484	-12.4%
West	5,397	6,500	6,500	+4.2%
New Zealand	3,250			
Australia	27,923	33,465	28,654	90,042
Differences	-18.0%	-5.0%	-13.1%	-11.9%

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	67.22	-0.04	+0.10	-0.09	+0.56	+0.42	+0.95 (+1.4%)	68.17	67.22	70.36
Euro	60.65	+0.16	+0.43	+0.14	+0.35	+0.09	+1.17 (+1.9%)	61.82	60.42	62.36

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change	
	July 2019	July to July 2019/20	July to July 2018/19	By Weight	By Value
China	75.8%	75.8%	71.1%	+9.2%	-6.4%
India	4.6%	4.6%	8.2%	-42.3%	-50.1%
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	1558
Last Year	1939
2017/18	1739
2016/17	1408
2015/16	1254

SEASON AVERAGES		
Region	This Year	Diff
North	1585	-397
South	1540	-373
West	1653	-435

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

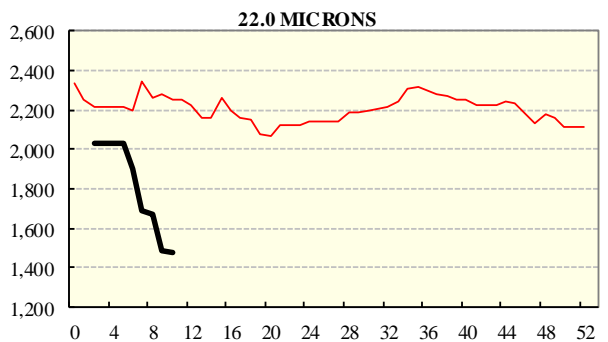
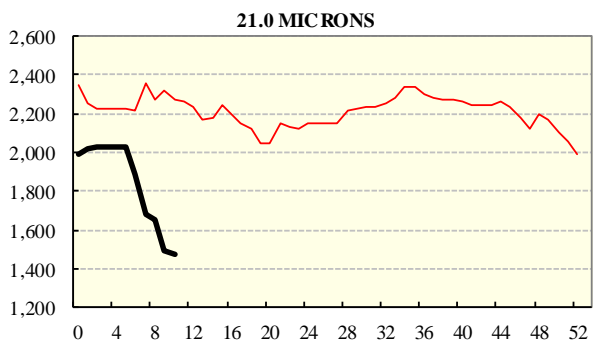
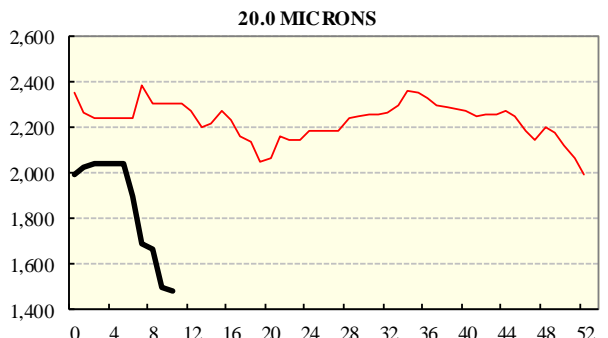
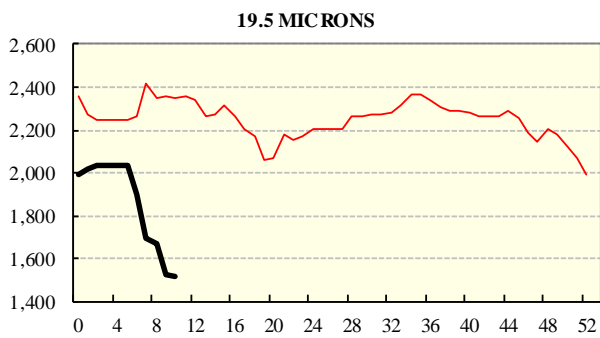
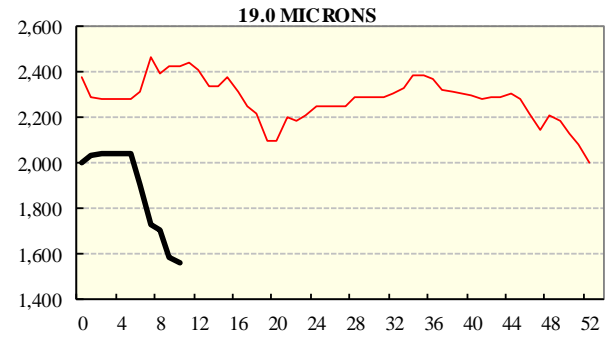
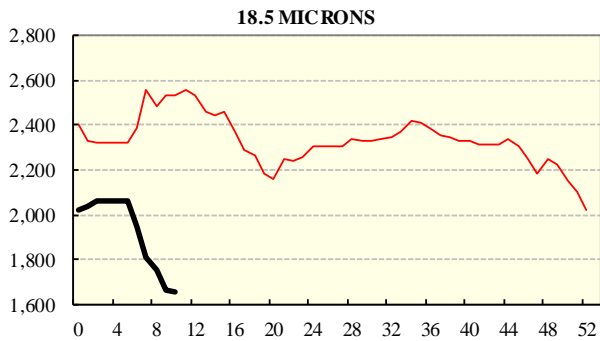
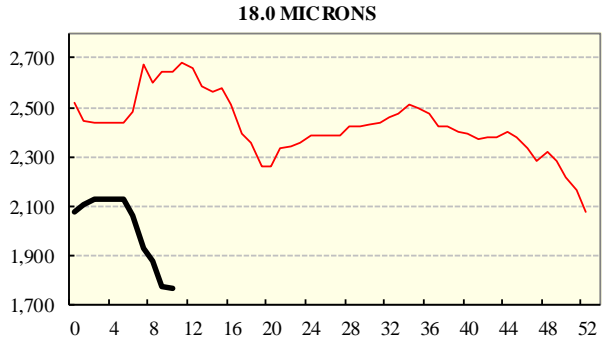
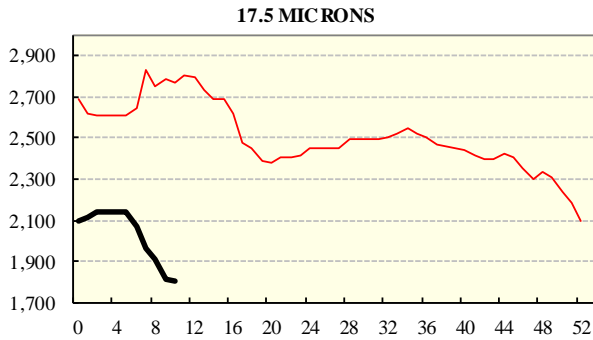
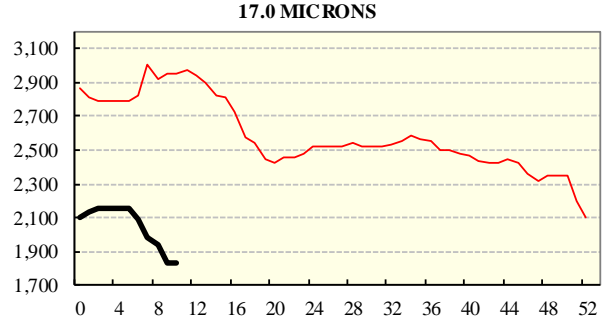
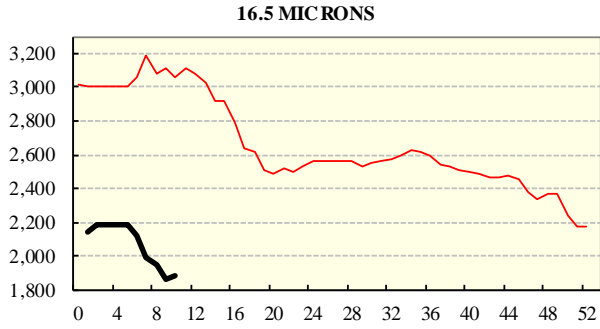
COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1408	-351
South	1338	-387
West	1383	-498

BALES OFFERED	
This Year	215,489
Last Year	273,869
Difference	-58,380
% Diff	-21.3%
FIRST OFFERED BALES	
Difference	-26.2%
% of Offering	89.5%

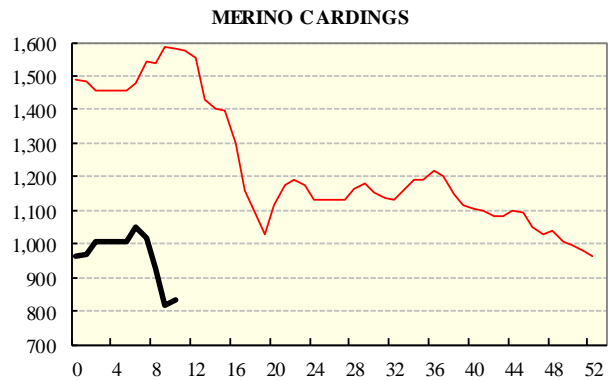
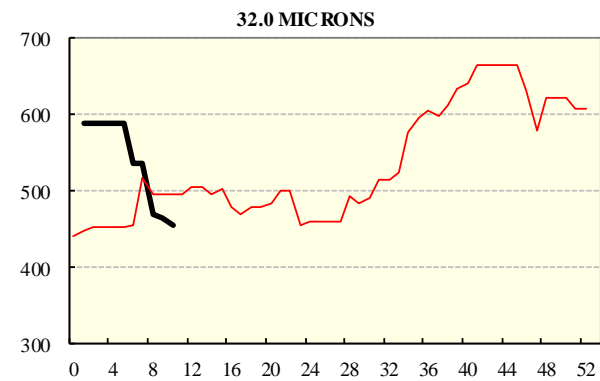
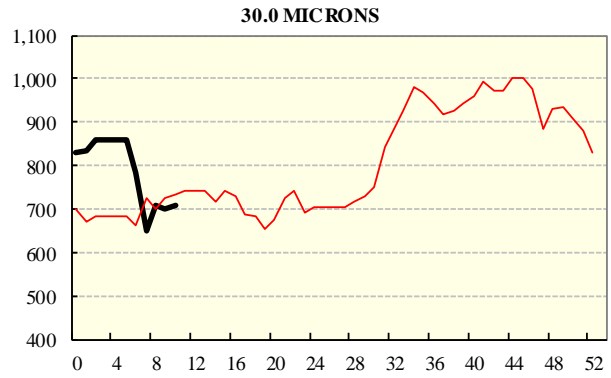
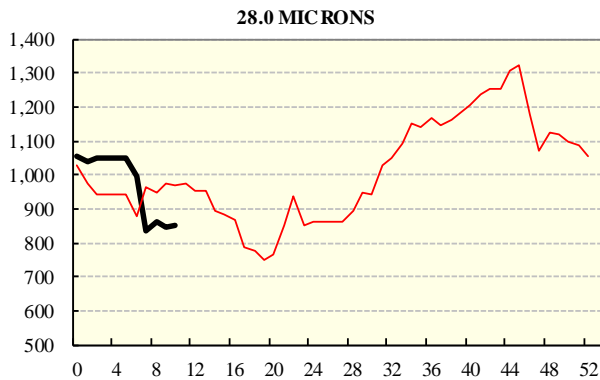
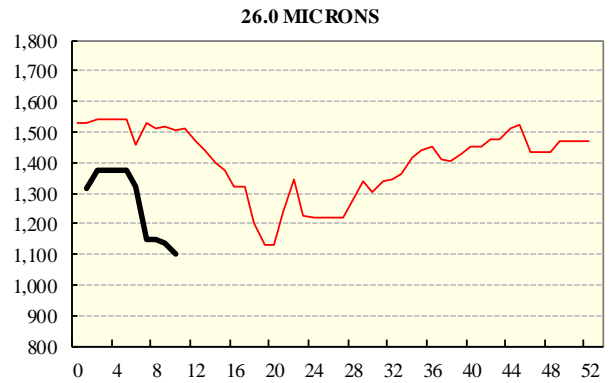
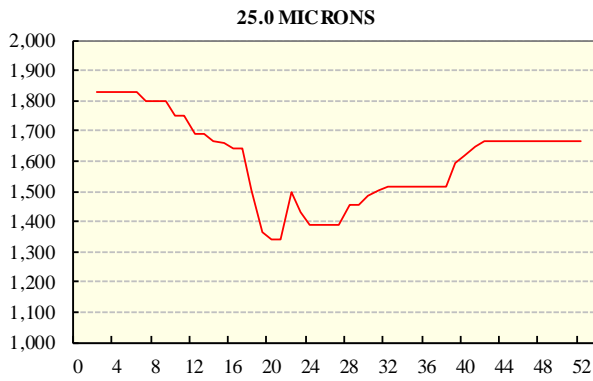
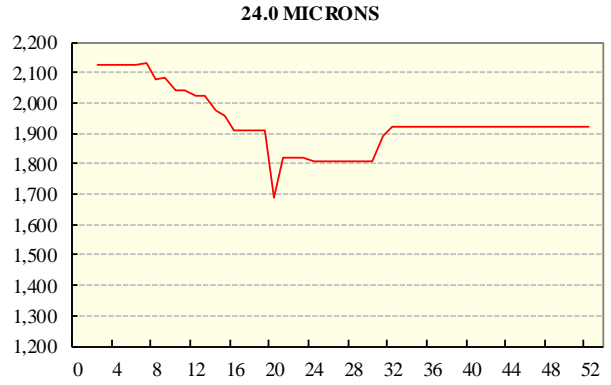
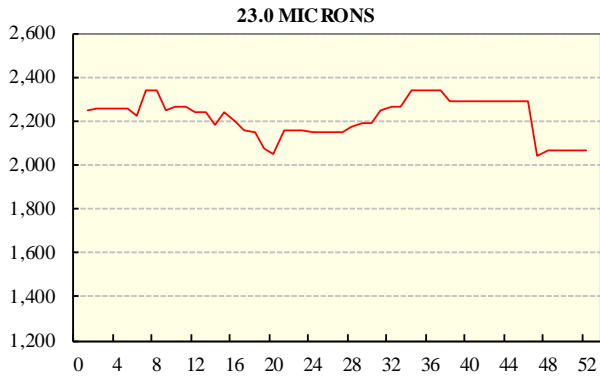
REGION BALES		
This Sale:		
North	7,039	
South	11,619	
West	3,036	
Progressive Totals:		Diff
North	73,789	-20.5%
South	104,705	-24.1%
West	36,995	-14.3%

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)

