

# AUSTRALIANWOOL INDUSTRIES SECRETARIAT INC

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## AWIS WOOL MARKET REVIEW

Week Ending 8 May 2020 (Week 45).

The AWEX EMI finished at 1170¢, 55¢ lower (-4.5%) in Australian currency and 46¢ lower (-5.7%) in US currency at sales in Sydney, Melbourne and Fremantle in Week 45.

25,338 bales were on offer nationally, compared with 22,904 bales last sale. 18.5% of the offering was passed in after 11.8% of the potential offering was withdrawn prior to sale. 20,661 bales were sold. We also understand the grower on-farm stocks are increasing.

AWEX reports that the value of the wool sold was \$25.8 million (\$1,249 per bale), taking the season total to \$1.779 billion (\$1,662 per bale). The number of bales sold at auction this season is now 19.4% less than in 2018/19.

Centre	Last Sale		Day-to-Day Changes (Week 45)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	44	1225	-17	-38	No Sale	-55 (-4.5%)	1170	-46	-42
Northern	44	1259	No Sale	-45	No Sale	-45 (-3.6%)	1214	-41	-37
Southern	44	1204	-28	-34	No Sale	-62 (-5.1%)	1142	-52	-47
Western	44	1310	-64	No Sale	No Sale	-64 (-4.9%)	1246	-53	-49

The market started on a downward note on Tuesday, when only the South and West sold; and continued to fall on Wednesday when the South and the North sold. There were falls across all types and micron ranges over both days.

Calculation of changes in the average weekly MPGs becomes difficult when price movements are as variable as was seen this week; and when the South sells on both days; and the North and the West each sell on one day. However, the broader Merinos were more affected than for those at the fine end.

The US Exchange Rate finished 0.93¢ (-1.4%) lower to close at 64.49¢ on Wednesday.

Buyers for China continued their dominance.

The South African industry offered 5,572 bales in the second half of Sale 26, following on from the 6,226 bales offered in the previous week. The Cape Wools Indicator was down by 4.6 % in the second week when the Rand depreciated by 5.6% against the US Dollar.

Looking ahead, offerings for the coming three sales are expected to range from 25,660 bales to 26,392 bales and to be 8.8% less than in the same period last year. The forecast progressive difference to Week 48 is -11.2%.

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	143¢	175¢	260¢	337¢	446¢

Market Indicator	Changes From			
	Four Sales Ago Week 41	Start of the Season	Week 45 Last Year	Season Average to Week 45 Last Year
Eastern Market Indicator	-131 (-10.1%)	-569 (-32.7%)	-782 (-40.1%)	-459 (-23.4%)
Western Market Indicator	-138 (-10.0%)	-635 (-33.8%)	-816 (-39.6%)	-511 (-24.2%)

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 ¢	-51	-52	-28	-40	-32	-73	-75	-71	-86	-70		
Change %	-2.8%	-3.1%	-1.8%	-2.6%	-2.2%	-5.1%	-5.4%	-5.2%	-6.3%	-5.1%		
Since Start of the Season												
Change ¢	-420	-500	-571	-638	-629	-688	-714	-723	-737	-740		
Change %	-19.4%	-23.3%	-26.8%	-30.1%	-30.7%	-33.8%	-35.2%	-35.7%	-36.4%	-36.4%		
Since Same Week Last Year												
Change ¢	-715	-778	-848	-901	-885	-928	-942	-942	-945	-941		
Change %	-29.1%	-32.1%	-35.3%	-37.9%	-38.3%	-40.8%	-41.7%	-41.9%	-42.4%	-42.1%		

Micron	25.0	26.0	28.0	30.0	32.0	MC	
Since Last Sale							
Change ¢			-30	-61	-2	0	-37
Change %			-3.5%	-9.2%	-0.4%	0.0%	-4.4%
Since Start of the Season							
Change ¢			-526	-441	-367	-318	-176
Change %			-39.1%	-42.2%	-43.3%	-54.0%	-17.8%
Since Same Week Last Year							
Change ¢			-707	-717	-520	-393	-281
Change %			-46.4%	-54.3%	-51.9%	-59.2%	-25.7%

MC Average Merino Cardings Price Guide

## AWIS WOOL MARKET REVIEW

Week Ending 8 May 2020 (Week 45)

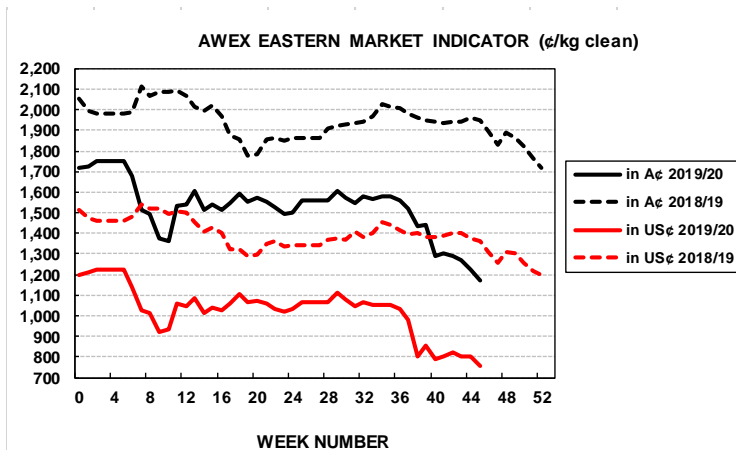
The following tables show the details of this week's sale offering; the expected offerings over the next three sales; the changes in Exchange Rates since the previous sale; and highlights from the February ABS export data.

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 <sup>st</sup> Time Bales
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re- Offered	Bales Sold	Bales	%	%
North	4,993	5,526	18.2%	11.0%	10.4%	4,522	-44,739	-11.5%	-15.7%
South	12,520	15,466	18.5%	10.9%	13.8%	12,611	-96,958	-12.4%	-16.3%
West	5,391	4,346	18.8%	15.6%	11.9%	3,528	-25,172	-8.2%	-13.7%
<b>Australia</b>	<b>22,904</b>	<b>25,338</b>	<b>18.5%</b>	<b>11.8%</b>	<b>12.7%</b>	<b>20,661</b>	<b>-166,869</b>	<b>-11.3%</b>	<b>-15.6%</b>

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 46	Week 47	Week 48	Differences
North	6,209	6,442	5,337	-22.5%
South	13,994	14,800	14,968	-8.0%
West	5,457	5,150	5,700	+10.2%
<b>New Zealand</b>				
<b>Australia</b>	<b>25,660</b>	<b>26,392</b>	<b>26,005</b>	<b>78,057</b>
<b>Differences</b>	<b>-22.6%</b>	<b>+9.4%</b>	<b>-8.0%</b>	<b>-8.8%</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	65.42	-0.83	-0.77	+0.77	-0.10	Public	-0.93 (-1.4%)	64.49	55.71	70.36
Euro	60.27	-1.28	-0.59	+0.81	+0.29	Holiday	-0.77 (-1.3%)	59.50	51.12	62.48

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to March	
	March 2020	July to March 2019/20	July to March 2018/19	By Weight	By Value
China	78.9%	76.7%	76.0%	-15.5%	-32.0%
India	7.4%	6.5%	6.1%	-9.5%	-26.3%
Italy	3.0%	4.9%	5.3%	-22.8%	-38.7%
Czech Republic	5.2%	4.1%	4.0%	-12.6%	-29.2%
Korea	1.5%	2.0%	2.5%	-33.6%	-43.9%
Egypt	0.8%	1.2%	1.0%	+1.3%	-20.7%
Thailand	0.6%	0.9%	0.9%	-21.5%	-43.9%
Bulgaria	0.5%	0.6%	0.4%	+24.9%	+25.4%
<b>Change all Countries</b>				<b>-15.9%</b>	<b>-32.4%</b>



AVERAGE EMI	
This Year	1501
Last Year	1939
2017/18	1739
2016/17	1408
2015/16	1254

SEASON AVERAGES		
Region	This Year	Diff
North	1533	-449
South	1480	-432
West	1598	-490

THIS YEAR'S EMI	
This Week	1170
First Week	1723
Low (10/01)	1170
High (11/01)	1754

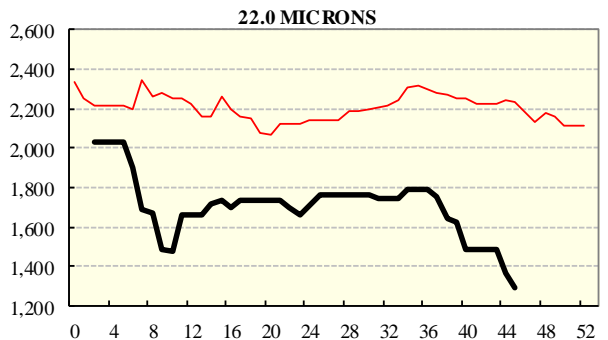
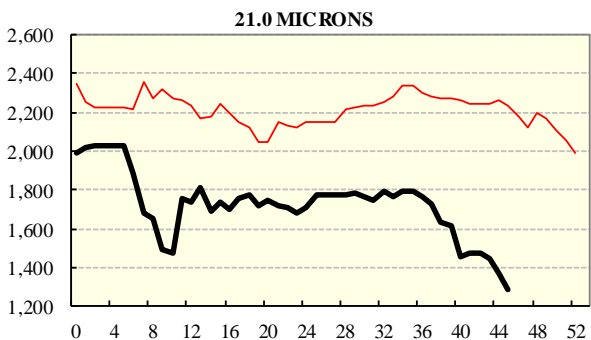
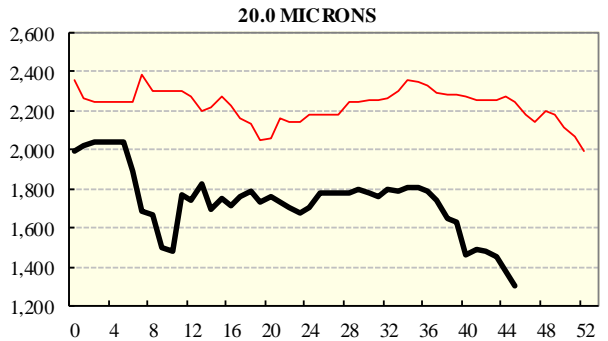
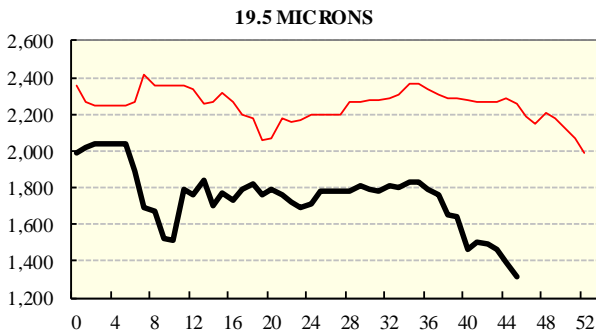
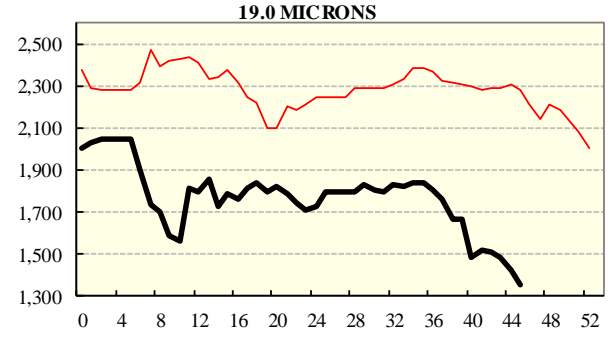
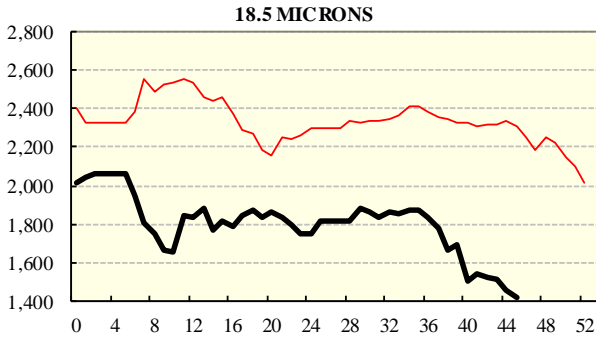
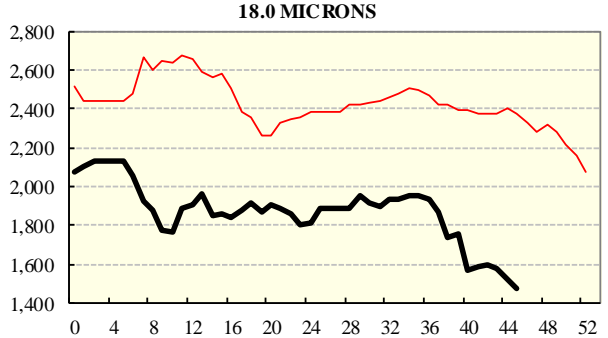
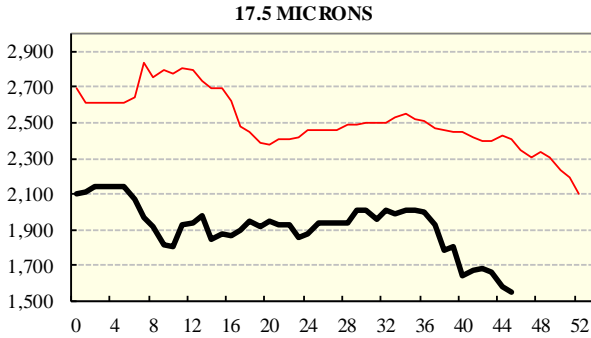
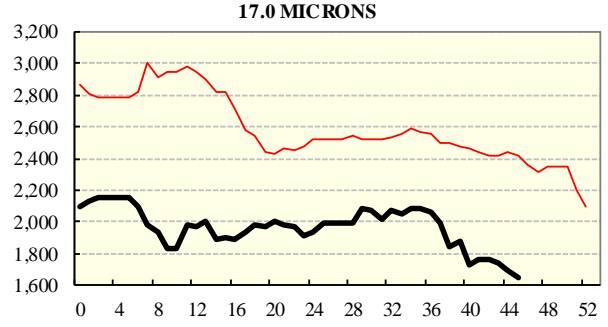
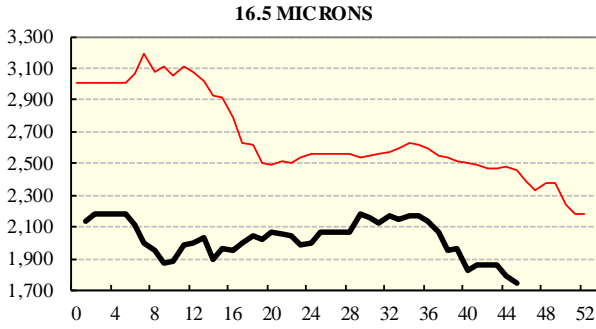
COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1214	-545
South	1142	-583
West	1246	-635

BALES OFFERED	
This Year	1,307,354
Last Year	1,474,223
Difference	-166,869
% Diff	-11.3%
FIRST OFFERED BALES	
Difference	-15.6%
% of Offering	89.1%

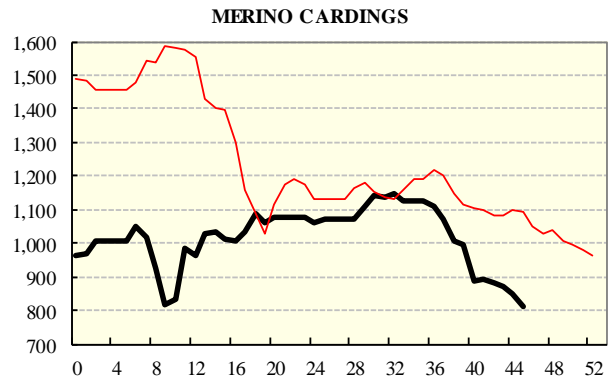
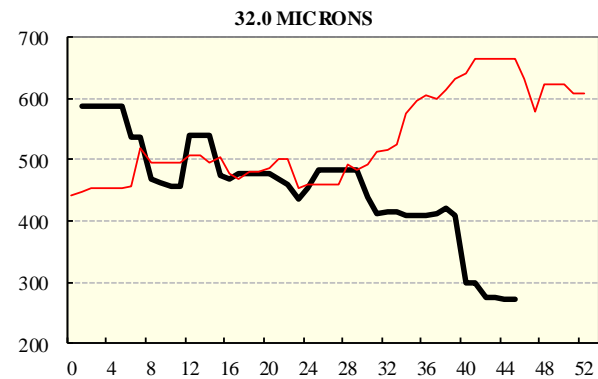
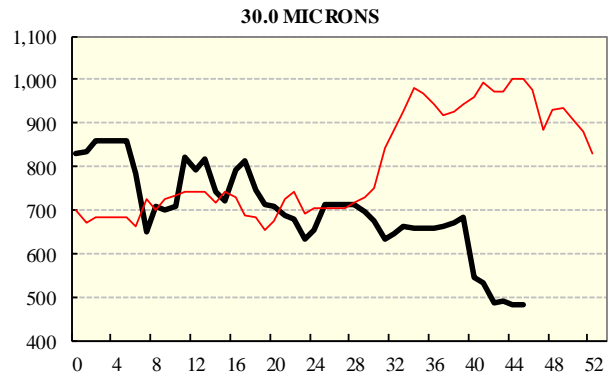
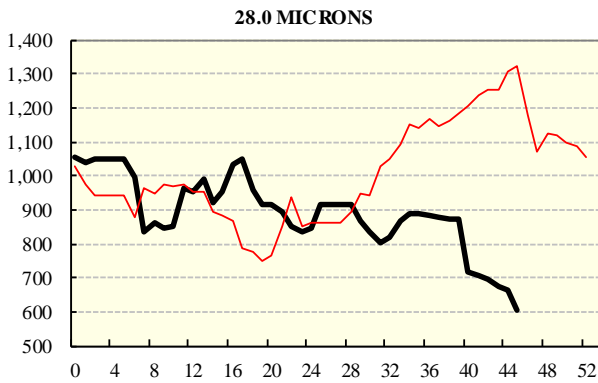
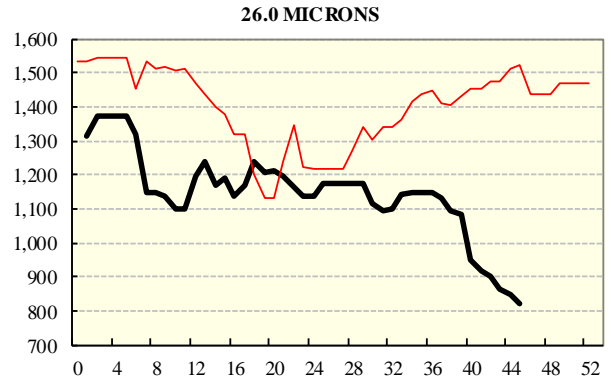
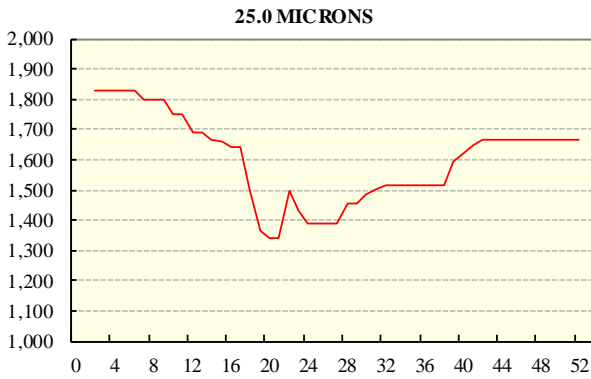
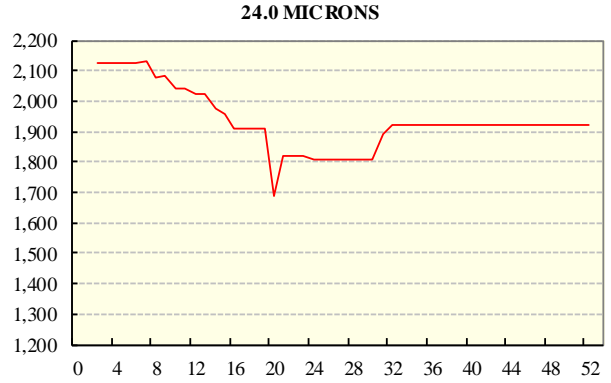
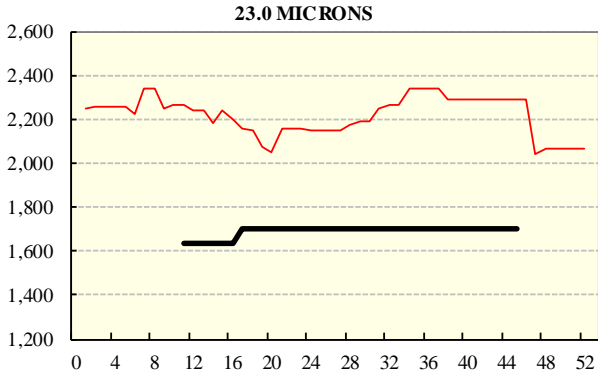
REGION BALES		
This Sale:		
North	5,526	
South	15,466	
West	4,346	
Progressive Totals:		Diff
North	344,202	-11.5%
South	682,690	-12.4%
West	280,462	-8.2%

## 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)

