

# AUSTRALIANWOOL INDUSTRIES SECRETARIAT INC

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## AWIS WOOL MARKET REVIEW Week Ending 15 January 2021 (Week 29)

The AWEX EMI finished 15¢ higher (+1.3%) in Australian currency and 33¢ higher (+3.8%) in US currency when sales resumed after the Christmas break in Sydney, Melbourne and Fremantle in Week 29.

52,290 bales were on offer nationally, compared with 44,835 bales last sale. 10.9% of the offering was passed in after 6.9% of the potential offering was withdrawn prior to sale. 46,578 bales were sold. It was also the largest sale of the season.

AWEX reports that the value of the wool sold was \$62.6 million (\$1,344 per bale), taking the season total to \$841.3 million (\$1,272 per bale). The number of bales sold at auction this season is now 1.5% greater than in 2019/20.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 29)									
Centre	Last Sale		Day-to-Day Changes (Week 29)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	25	1157	+2	+13	0	+15 (+1.3%)	1172	+33	+29
Northern	25	1218	+6	+9	No Sale	+15 (+1.2%)	1233	+35	+30
Southern	25	1119	-1	+16	0	+15 (+1.3%)	1134	+33	+27
Western	25	1198	No Sale	+14	+10	+24 (+2.0%)	1222	+41	+35

It was pleasing to see an increase in the market when sales resumed after the Christmas break.

An increase in the market has often been the norm in January. But, the COVID-19 related circumstances this season, together with the highest US Exchange Rate since the third week of April 2018 and the largest sale since the week after Easter last year put added pressure on this week's market.

The US Exchange Rate finished 1.87¢ (2.5%) higher to close at 77.51¢ on Thursday.

Buyers for China continued their dominance, while European interests also had a presence on the major buyers' list.

The continuing dominance of buyers for China is best seen in the Export Data for November, when 88% of Australia's exports for the month of November and 88% for the July to November period went to China. The progressive exports to China were 16.7% greater than in 2019/20.

Looking ahead, offerings for the coming three sales are expected to range from 41,196 bales to 49,240 bales and to be 14.5% more than in the same period last year. The forecast progressive difference to Week 32 is +1.0%.

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	346¢	479¢	630¢	762¢	920¢

Market Indicator	Changes From			
	Four Sales Ago Week 22	Start of the Season	Week 29 Last Year	Season Average to Week 29 Last Year
Eastern Market Indicator	+22 (+1.9%)	+47 (+4.2%)	-437 (-27.2%)	-477 (-30.8%)
Western Market Indicator	+22 (+1.8%)	+28 (+2.3%)	-465 (-27.6%)	-527 (-31.9%)

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 ¢	+50	+45	+45	+57	+28	+12	+4	+6	-5	-6		
Change %	+2.5%	+2.4%	+2.6%	+3.6%	+1.9%	+0.9%	+0.3%	+0.5%	-0.4%	-0.5%		
Since Start of the Season												
Change ¢	+347	+293	+249	+211	+154	+116	+74	+16	-48			
Change %	+20.2%	+18.1%	+16.3%	+14.9%	+11.5%	+9.1%	+5.9%	+1.3%	-3.9%			
Since Same Week Last Year												
Change ¢	-113	-177	-239	-321	-393	-430	-486	-551	-615			
Change %	-5.2%	-8.5%	-11.9%	-16.4%	-20.8%	-23.5%	-26.9%	-30.6%	-34.5%			

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 ¢		0	+2	+3	-5	+45
Change %		0.0%	+0.4%	+0.8%	-2.0%	+5.8%
Since Start of the Season						
Change ¢		-151	-119	-100	-97	-17
Change %		-15.1%	-14.2%	-17.6%	-20.8%	-6.3%
Since Same Week Last Year						
Change ¢		-455	-399	-325		-293
Change %		-38.8%	-46.1%	-46.8%		-26.4%

MC Average Merino Cardings Price Guide

## AWIS WOOL MARKET REVIEW

Week Ending 15 January 2021 (Week 29)

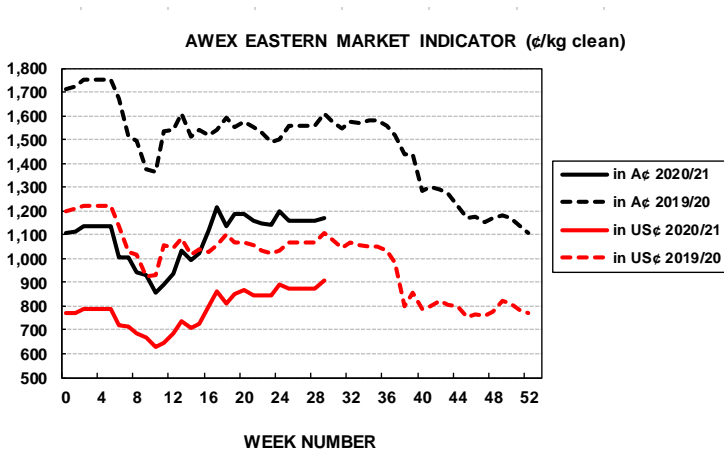
The following tables show the details of this week's sale offering; the expected offerings over the next three sales; the changes in Exchange Rates since the previous sale; and highlights from the November ABS export data.

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	10,674	13,168	10.7%	5.8%	5.2%	11,761	-5,356	-2.5%	-1.6%
South	24,132	28,573	11.5%	6.6%	6.7%	25,286	+5,398	+1.4%	+1.9%
West	10,029	10,549	9.7%	9.1%	3.4%	9,531	-8,470	-5.4%	-2.5%
<b>Australia</b>	<b>44,835</b>	<b>52,290</b>	<b>10.9%</b>	<b>6.9%</b>	<b>5.7%</b>	<b>46,578</b>	<b>-8,428</b>	<b>-1.1%</b>	<b>+0.1%</b>

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 30	Week 31	Week 32	Differences
North	12,927	11,030	10,720	+7.8%
South	27,027	24,680	22,726	+28.2%
West	9,286	7,750	7,750	-7.2%
<b>New Zealand</b>				
<b>Australia</b>	<b>49,240</b>	<b>43,460</b>	<b>41,196</b>	<b>133,896</b>
<b>Differences</b>	<b>-6.5%</b>	<b>+29.0%</b>	<b>+34.8%</b>	<b>+14.5%</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	75.64	+2.05	-0.72	-0.06	+0.72	-0.12	+1.87 (+2.5%)	77.51	69.24	77.51
Euro	62.18	+1.18	-0.14	+0.11	+0.25	+0.21	+1.61 (+2.6%)	63.79	59.77	63.79

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to November	
	November 2020	July to November 2020/21	July to November 2019/20	By Weight	By Value
China	88.4%	87.8%	77.0%	+16.7%	-14.8%
Czech Republic	4.8%	4.0%	3.1%	+30.9%	-30.7%
India	2.6%	2.9%	5.8%	-49.1%	-68.2%
Korea	1.5%	1.7%	2.0%	-10.5%	-31.9%
Italy	1.3%	1.5%	6.0%	-74.3%	-80.3%
Thailand	0.2%	0.4%	0.9%	-55.2%	-67.5%
Germany	0.2%	0.3%	0.4%	-15.9%	-27.5%
Egyptny	0.1%	0.3%	1.3%	-78.2%	-85.5%
<b>Change all Countries</b>				<b>+2.4%</b>	<b>-28.4%</b>



AVERAGE EMI	
This Year	1074
Last Year	1448
2018/19	1939
2017/18	1739
2016/17	1408

SEASON AVERAGES		
Region	This Year	Diff
North	1129	-353
South	1039	-386
West	1125	-429

THIS YEAR'S EMI	
This Week	1172
First Week	1116
Low (11/01)	858
High (13/01)	1219

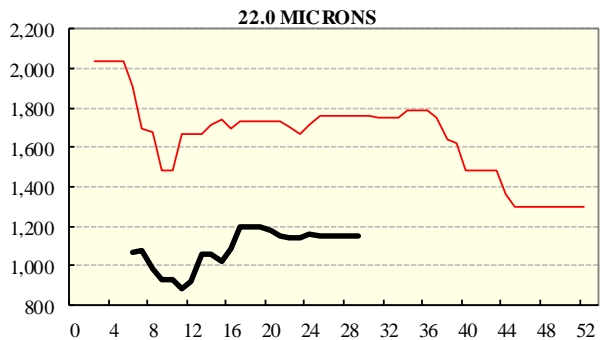
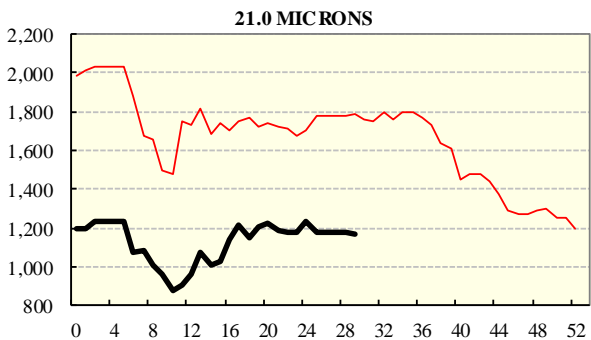
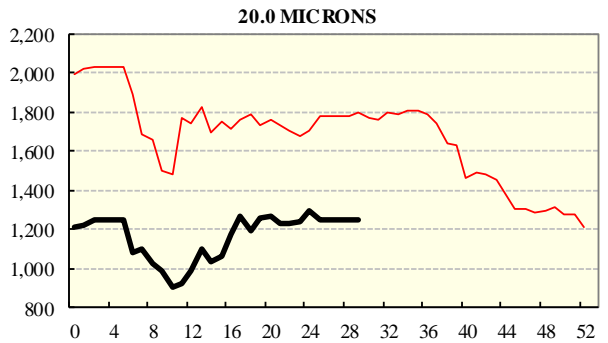
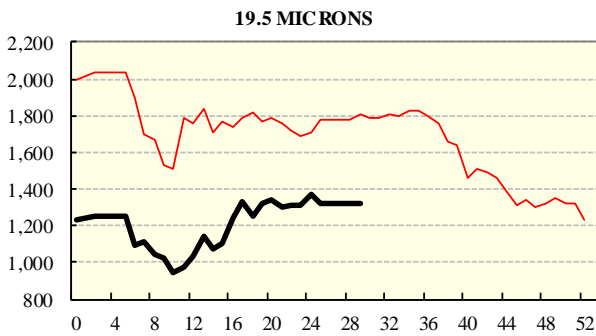
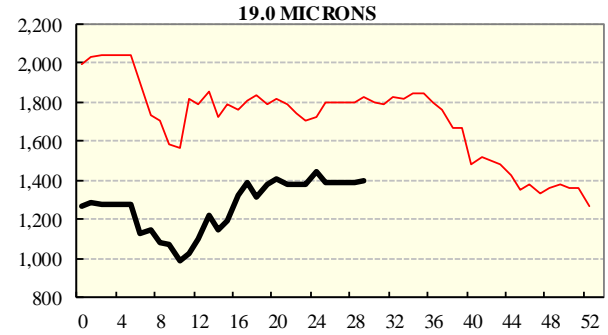
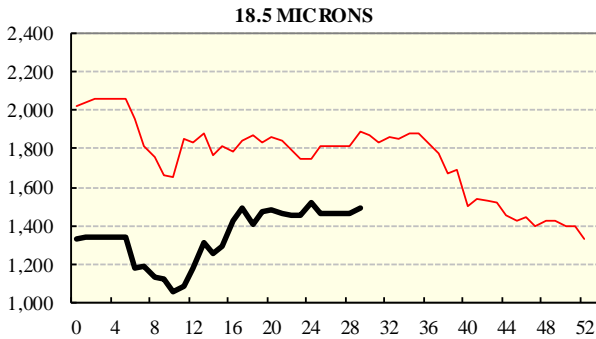
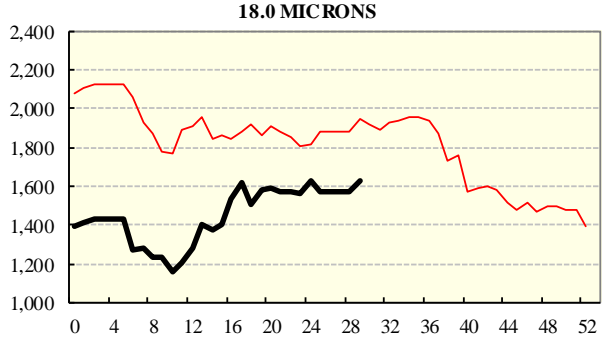
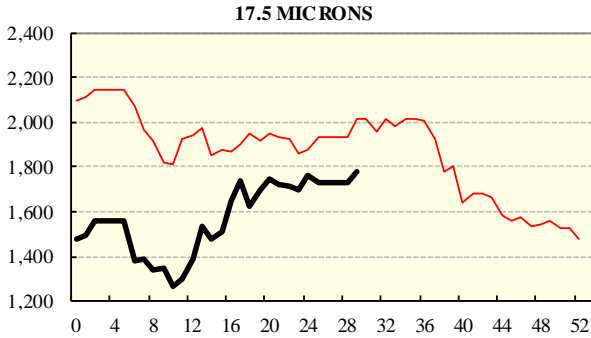
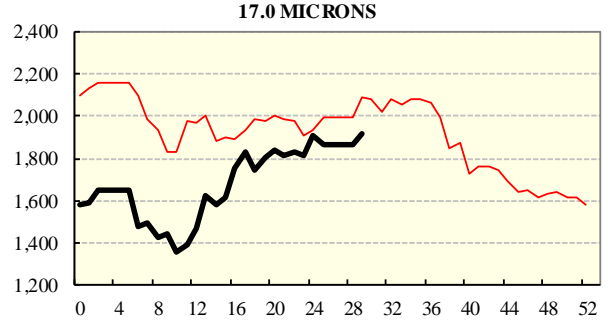
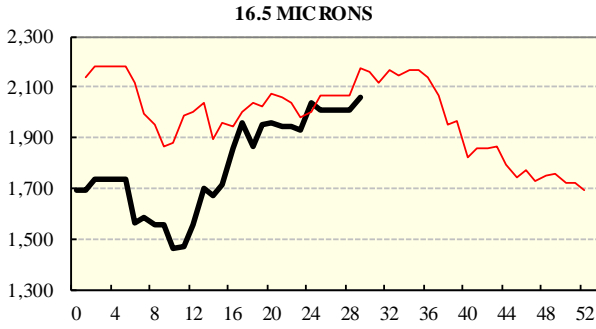
COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1233	+66
South	1134	+36
West	1222	+28

BALES OFFERED	
This Year	753,618
Last Year	762,046
Difference	-8,428
% Diff	-1.1%
FIRST OFFERED BALES	
Difference	+0.1%
% of Offering	91.1%

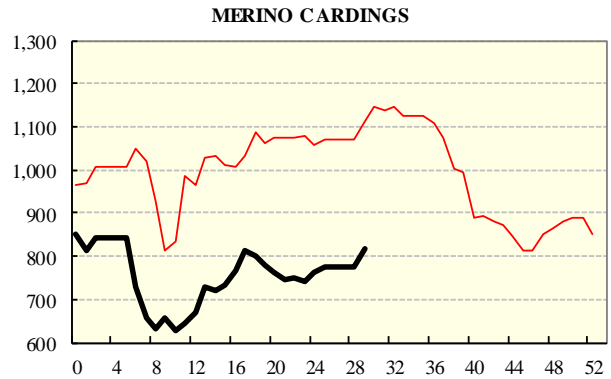
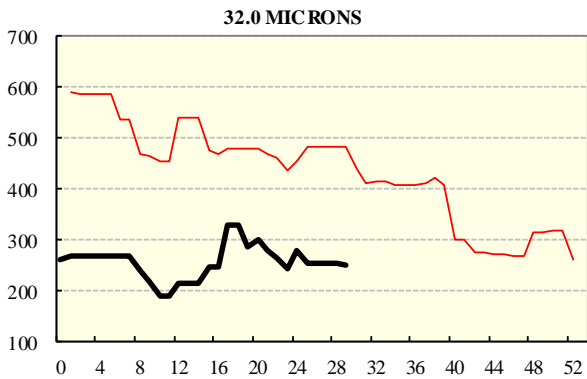
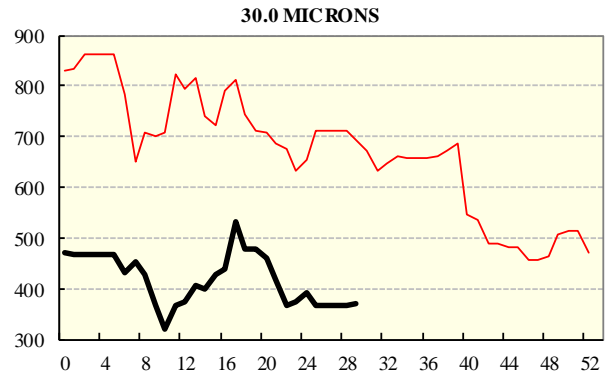
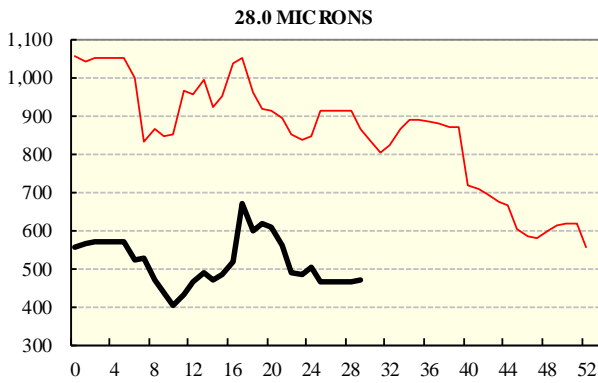
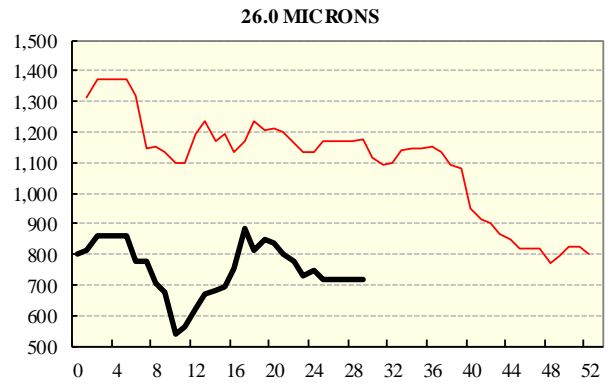
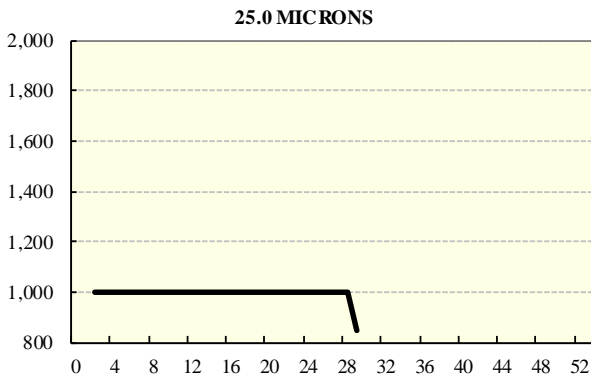
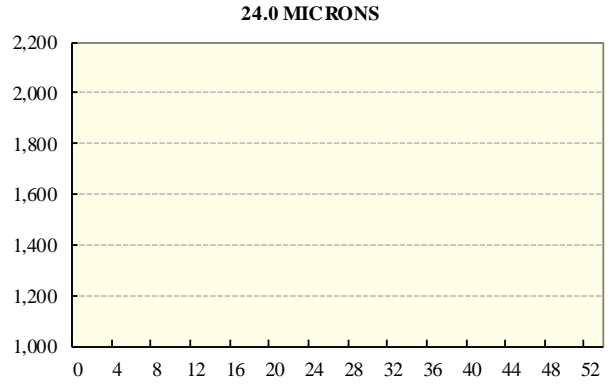
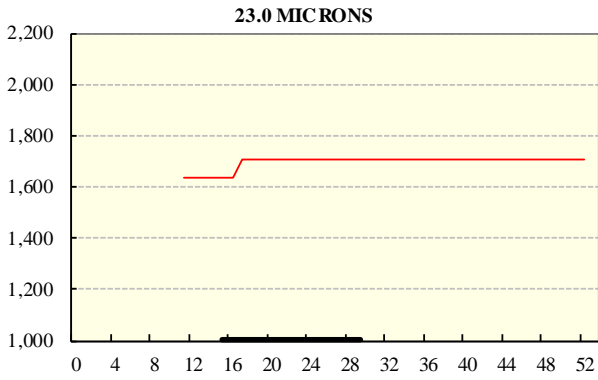
REGION BALES		
This Sale:		
North	13,168	
South	28,573	
West	10,549	
Progressive Totals:		Diff
North	209,011	-2.5%
South	395,591	+1.4%
West	149,016	-5.4%

## **AVERAGE AWEX MICRON PRICE GUIDES**

2020/21 ( black graph line) and 2019/20 (red graph line)



**AVERAGE AWEX MICRON PRICE GUIDES**  
2020/21 ( black graph line) and 2019/20 (red graph line)



### EASTERN MARKET INDICATOR (EMI) SINCE 1999/00 (¢/kg clean)

(In Australian, United States and European Currencies)

