

# AUSTRALIANWOOL INDUSTRIES SECRETARIAT INC

Unit 9, 42 - 46 Vella Drive  
Sunshine West Vic 3020  
Australia  
Tel: 03 9311 0103  
Fax: 03 9311 0138

Email: awis@woolindustries.org  
Web: www.woolindustries.org  
ABN: 30 454 304 967  
Reg No: A0041776E



## AWIS WOOL MARKET REVIEW Week Ending 18 September 2020 (Week 12)

It was a good week in which the AWEX EMI finished 47¢ higher (+5.3%) in Australian currency and 42¢ higher (+6.5%) in US currency at sales in Sydney, Melbourne and Fremantle in Week 12. It was the first week-to-week upward movement in the market since it moved up by 18¢ in Week 02.

26,215 bales were on offer nationally, compared with 19,638 bales last sale. 5.8% of the offering was passed in after 9.8% of the potential offering was withdrawn prior to sale. 24,705 bales were sold.

AWEX reports that the value of the wool sold was \$26.4 million (\$1,069 per bale), taking the season total to \$258.1 million (\$1,148 per bale). The number of bales sold at auction this season is now 4.4% greater than in 2019/20.

The New Zealand Merino Company also offered 3,196 bales in Melbourne on Wednesday, of which 7.4% were passed in.

| Centre   | Last Sale |           | Day-to-Day Changes (Week 12) |           |          | Sale-to-Sale Change | Closing Indicator | Sale-to-Sale Changes |        |
|----------|-----------|-----------|------------------------------|-----------|----------|---------------------|-------------------|----------------------|--------|
|          | Week      | Indicator | Tuesday                      | Wednesday | Thursday |                     |                   | US ¢                 | Euro ¢ |
| Eastern  | 11        | 890       | +13                          | +34       | No Sale  | +47 (+5.3%)         | 937               | +42                  | +32    |
| Northern | 11        | 955       | +6                           | +32       | No Sale  | +38 (+4.0%)         | 993               | +36                  | +27    |
| Southern | 11        | 848       | +19                          | +35       | No Sale  | +54 (+6.4%)         | 902               | +46                  | +37    |
| Western  | 11        | 922       | No Sale                      | +62       | No Sale  | +62 (+6.7%)         | 984               | +53                  | +42    |

The market moved up on both days, that included a strong finish in all three centres on Wednesday. Not surprisingly, there were gains across all micron ranges and types. Most gains were from 5 to 6% among the Merinos, with higher percentage gains from 18.5 to 20.0 microns and at 26 microns.

The US Exchange Rate finished 0.86¢ (1.2%) higher to close at 73.11¢ on Wednesday. It was the third successive week in which the US Exchange Rate has closed at greater than 73.00¢.

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

Looking ahead, offerings for the coming three sales are expected to range from 30,111 bales to 33,558 bales and to be 7.2% more than in the same period last year. The forecast progressive difference to Week 15 is +1.6%.

It was a good week in South Africa also, where the Cape Wools Indicator was up by 3.3% since last week against a 2.9% appreciation of the Rand against the US Dollar and a 2.0% appreciation against the Euro.

| 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                    | 273¢          | 360¢          | 472¢          | 533¢          | 619¢          |

| Market Indicator         | Changes From           |                     |                   |                                     |
|--------------------------|------------------------|---------------------|-------------------|-------------------------------------|
|                          | Four Sales Ago Week 08 | Start of the Season | Week 12 Last Year | Season Average to Week 12 Last Year |
| Eastern Market Indicator | -8 (-0.8%)             | -188 (-16.7%)       | -605 (-39.2%)     | -573 (-36.9%)                       |
| Western Market Indicator | -5 (-0.5%)             | -210 (-17.6%)       | -659 (-40.1%)     | -612 (-37.1%)                       |

| 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 ¢                  | +87    | +75    | +89    | +78    | +97    | +75    | +61    | +65    | +49    | +42   |      |      |
| Change %                  | +5.9%  | +5.4%  | +6.8%  | +6.5%  | +8.9%  | +7.3%  | +6.3%  | +7.0%  | +5.4%  | +4.8% |      |      |
| Since Start of the Season |        |        |        |        |        |        |        |        |        |       |      |      |
| Change ¢                  | -160   | -155   | -138   | -139   | -157   | -183   | -216   | -244   | -260   |       |      |      |
| Change %                  | -9.3%  | -9.6%  | -9.0%  | -9.8%  | -11.7% | -14.3% | -17.3% | -19.8% | -21.3% |       |      |      |
| Since Same Week Last Year |        |        |        |        |        |        |        |        |        |       |      |      |
| Change ¢                  | -446   | -505   | -555   | -628   | -649   | -693   | -729   | -751   | -776   |       |      |      |
| Change %                  | -22.3% | -25.6% | -28.5% | -32.9% | -35.4% | -38.7% | -41.4% | -43.1% | -44.8% |       |      |      |

| Micron                    | 25.0 | 26.0   | 28.0   | 30.0   | 32.0   | MC     |
|---------------------------|------|--------|--------|--------|--------|--------|
| Since Last Sale           |      |        |        |        |        |        |
| Change ¢                  |      | +64    | +34    | +9     |        | +25    |
| Change %                  |      | +11.4% | +7.9%  | +2.5%  |        | +3.9%  |
| Since Start of the Season |      |        |        |        |        |        |
| Change ¢                  |      | -213   | -101   | -92    | -52    | -159   |
| Change %                  |      | -25.4% | -17.8% | -19.7% | -19.4% | -19.2% |
| Since Same Week Last Year |      |        |        |        |        |        |
| Change ¢                  |      | -568   | -487   | -420   | -325   | -296   |
| Change %                  |      | -47.6% | -51.1% | -52.9% | -60.1% | -30.7% |

MC Average Merino Cardings Price Guide

## AWIS WOOL MARKET REVIEW

Week Ending 18 September 2020 (Week 12)

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.

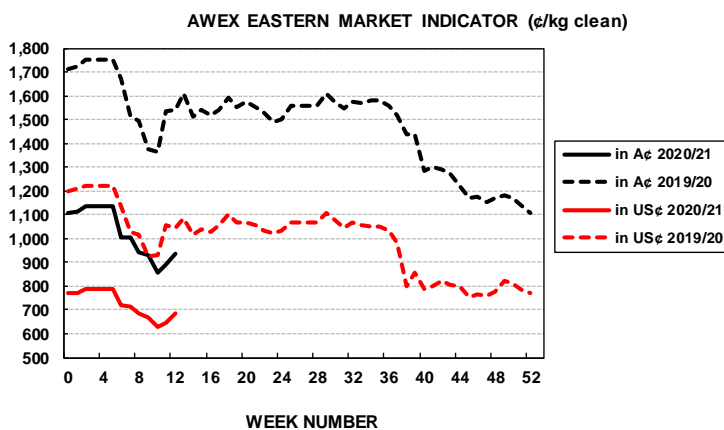
| Details of this Week's Offering and the Comparison with the Previous Sale's Offering |           |           |           |                       |             |            |
|--|-----------|-----------|-----------|-----------------------|-------------|------------|
| Centre   | Last Sale | This Sale |           |                       |             |            |
|  | Offering  | Offering  | Passed-In | Withdrawn Before Sale | Re- Offered | Bales Sold |
| North  | 4,759     | 8,379     | 6.0%      | 6.3%                  | 12.3%       | 7,873      |
| South  | 10,970    | 13,467    | 5.8%      | 10.7%                 | 9.1%        | 12,682     |
| West   | 3,909     | 4,369     | 5.0%      | 13.4%                 | 13.7%       | 4,150      |
| Australia  | 19,638    | 26,215    | 5.8%      | 9.8%                  | 10.9%       | 24,705     |

| Progressive Changes from Last Year |              |                            |
|------------------------------------|--------------|----------------------------|
| All Bales                          |              | 1 <sup>st</sup> Time Bales |
| Bales                              | %            | %                          |
| -7,240                             | -8.3%        | -8.3%                      |
| +7,982                             | +6.2%        | +6.0%                      |
| -1,547                             | -3.2%        | -0.5%                      |
| <b>-805</b>                        | <b>-0.3%</b> | <b>+0.0%</b>               |

| Next Sale Offerings and Year-on-Year Differences |         |         |         |             |
|--|---------|---------|---------|-------------|
| Centre   | Week 13 | Week 14 | Week 15 | Differences |
| North  | 7,652   | 7,738   | 7,361   | -2.6%       |
| South  | 12,795  | 16,273  | 18,330  | +4.4%       |
| West   | 4,583   | 6,100   | 6,130   | -17.1%      |
| New Zealand                                      |         |         | 4,500   |             |
| Australia  | 33,558  | 30,111  | 31,821  | 95,490      |
| Differences                                      | +22.6%  | -10.2%  | +13.0%  | +7.2%       |

| 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                 | 72.25     | +0.56              | +0.06 | +0.41 | -0.17 | Public  | +0.86 (+1.2%)       | 73.11         | 69.24            | 73.60 |
| Euro                          | 61.33     | +0.18              | -0.04 | +0.13 | +0.12 | Holiday | +0.39 (+0.6%)       | 61.72         | 60.72            | 61.81 |

| Country                     | % Share of Australia's Wool Exports by Weight of Wool Shipped |                      |                      | Year-on-Year % Change July to July |               |
|-----------------------------|---|----------------------|----------------------|------------------------------------|---------------|
|                             | July 2020   | July to July 2020/21 | July to July 2019/20 | By Weight                          | By Value      |
| China                       | 87.9%   | 87.9%                | 75.8%                | +8.5%                              | -22.8%        |
| India                       | 3.1%  | 3.1%                 | 4.6%                 | -37.1%                             | -64.7%        |
| Czech Republic              | 2.9%  | 2.9%                 | 3.3%                 | -15.4%                             | -59.4%        |
| Italy                       | 1.9%  | 1.9%                 | 7.9%                 | -77.4%                             | -84.5%        |
| Korea                       | 1.5%  | 1.5%                 | 2.0%                 | -36.3%                             | -46.6%        |
| Thailand                    | 0.7%  | 0.7%                 | 0.6%                 | +13.1%                             | -34.9%        |
| Egypt                       | 0.4%  | 0.4%                 | 1.5%                 | -73.5%                             | -82.8%        |
| Germany                     | 0.4%  | 0.4%                 | 0.5%                 | -19.0%                             | -58.0%        |
| <b>Change all Countries</b> |   |                      |                      | <b>-6.3%</b>                       | <b>-37.1%</b> |



| AVERAGE EMI |      |
|-------------|------|
| This Year   | 980  |
| Last Year   | 1448 |
| 2018/19     | 1939 |
| 2017/18     | 1739 |
| 2016/17     | 1408 |

| SEASON AVERAGES |           |      |
|-----------------|-----------|------|
| Region          | This Year | Diff |
| North           | 1029      | -452 |
| South           | 948       | -478 |
| West            | 1036      | -518 |

| THIS YEAR'S EMI |      |
|-----------------|------|
| This Week       | 937  |
| First Week      | 1116 |
| Low (11/01)     | 858  |
| High (12/01)    | 1134 |

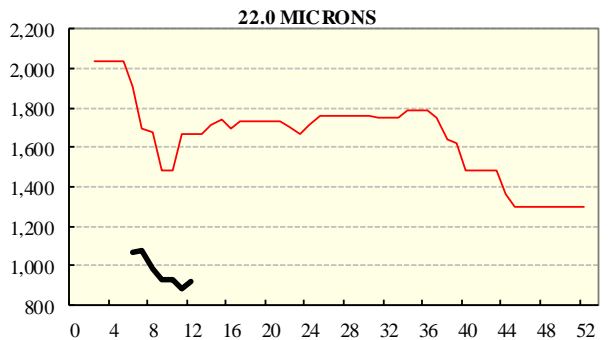
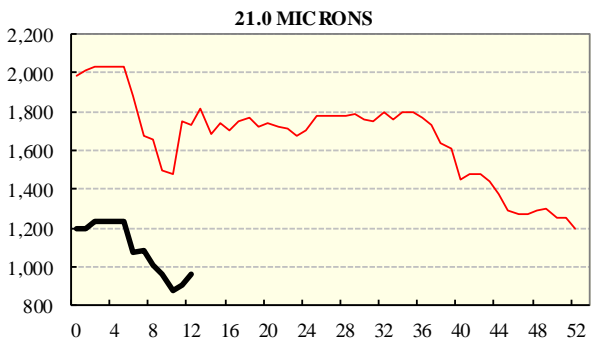
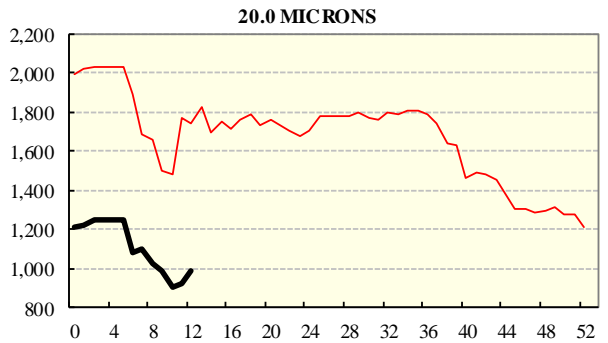
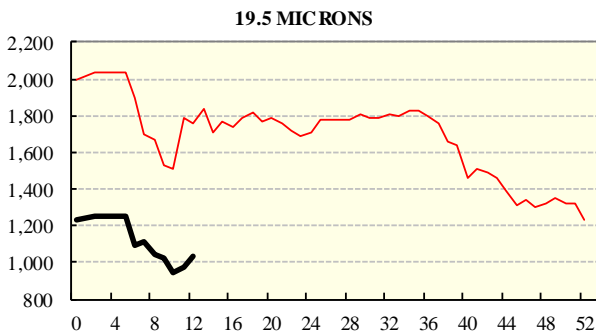
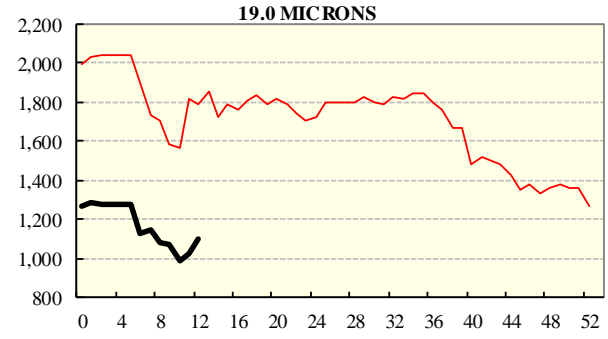
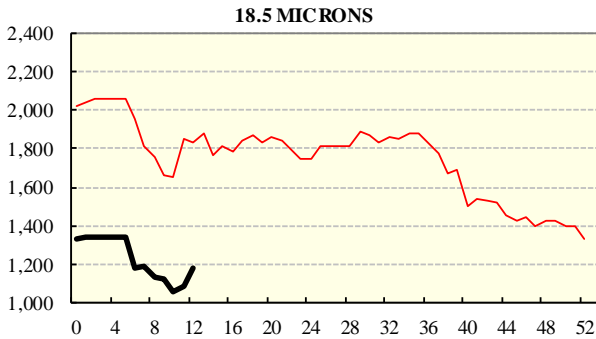
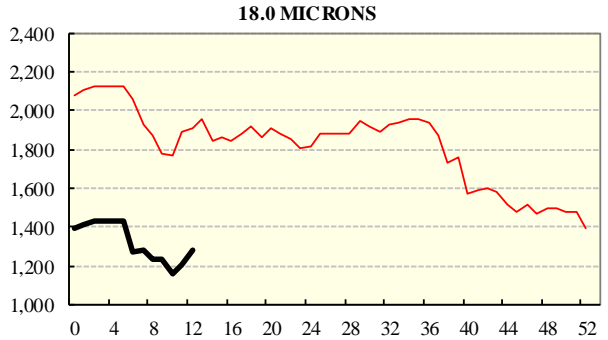
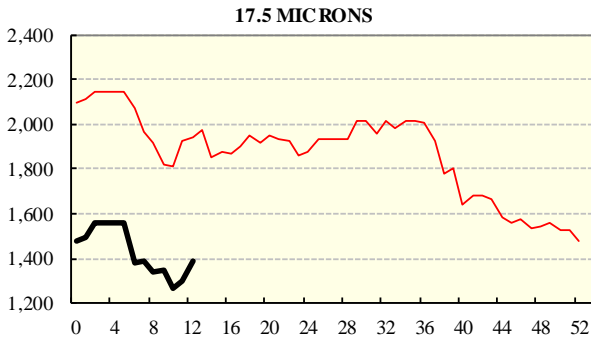
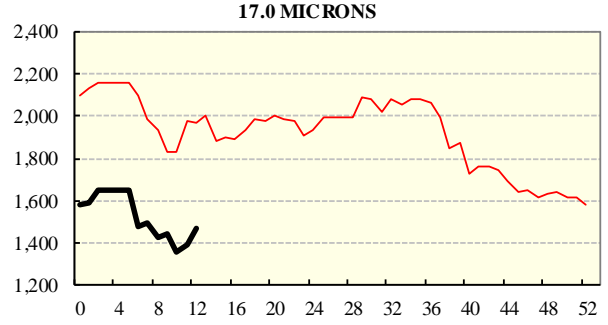
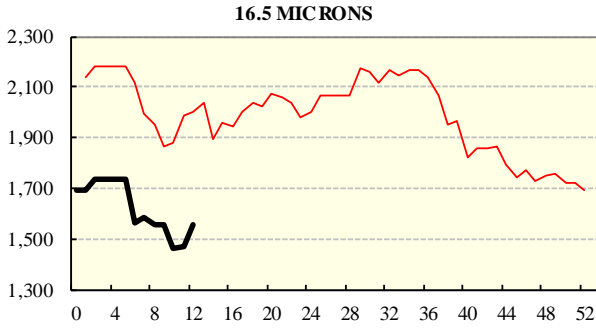
| COMPARED WITH WKS 1/2 |           |      |
|-----------------------|-----------|------|
| Region                | This Week | Diff |
| North                 | 993       | -174 |
| South                 | 902       | -196 |
| West                  | 984       | -210 |

| BALES OFFERED       |         |
|---------------------|---------|
| This Year           | 264,012 |
| Last Year           | 264,817 |
| Difference          | -805    |
| % Diff              | -0.3%   |
| FIRST OFFERED BALES |         |
| Difference          | 0.0%    |
| % of Offering       | 89%     |

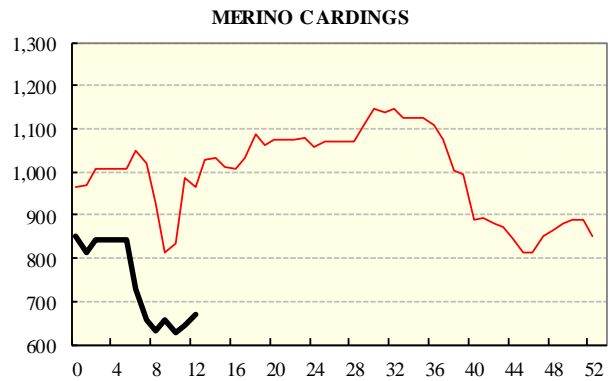
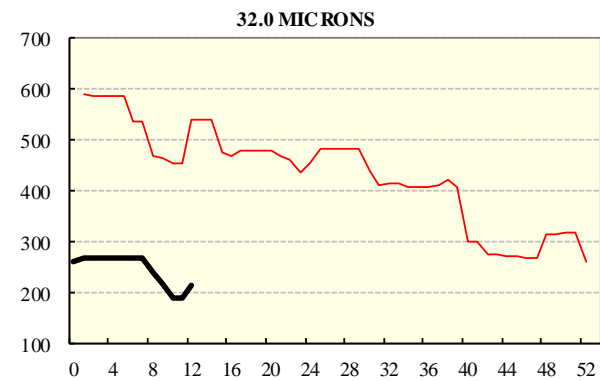
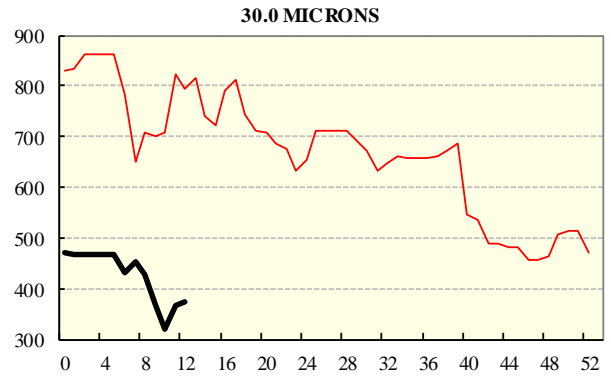
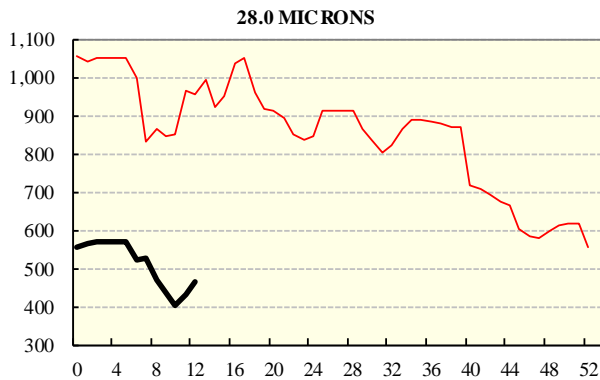
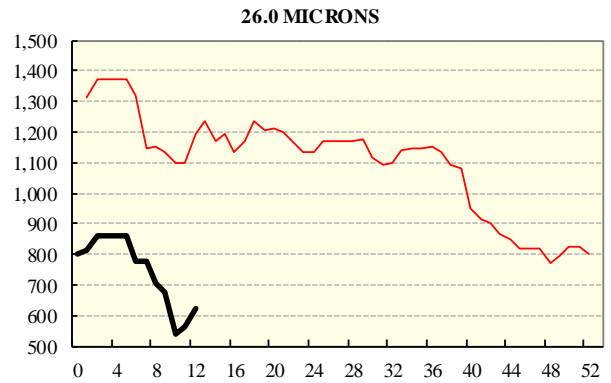
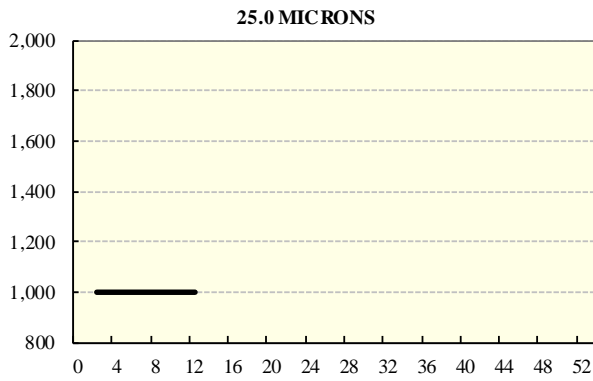
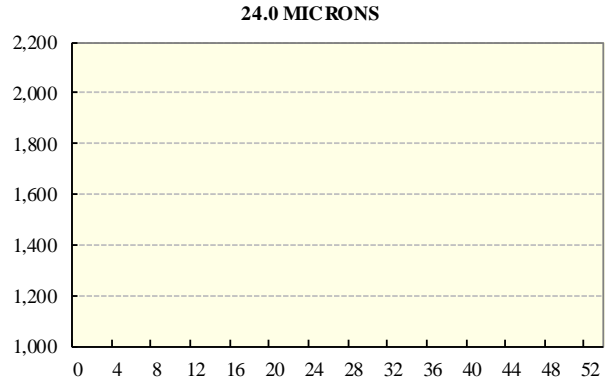
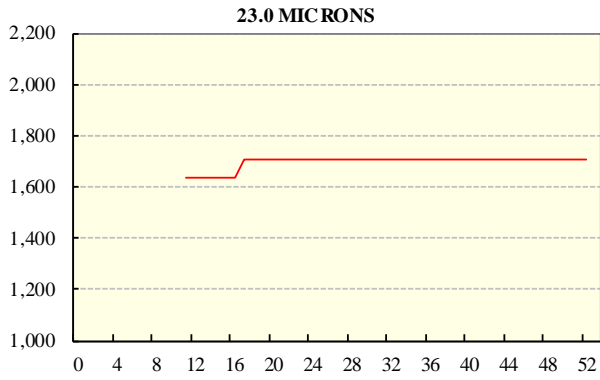
| REGION BALES        |         |       |
|---------------------|---------|-------|
| This Sale:          |         |       |
| North               | 8,379   |       |
| South               | 13,467  |       |
| West                | 4,369   |       |
| Progressive Totals: |         | Diff  |
| North               | 80,408  | -8.3% |
| South               | 137,386 | +6.2% |
| West                | 46,218  | -3.2% |

## 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)

