

# AUSTRALIANWOOL INDUSTRIES SECRETARIAT INC

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## AWIS WOOL MARKET REVIEW

Week Ending 23 October 2020 (Week 17)

The AWEX EMI finished 102¢ higher (+9.1%) in Australian currency and 62¢ higher (+7.7%) in US currency at sales in Sydney, Melbourne and Fremantle in Week 17.

33,074 bales were on offer nationally, compared with 27,680 bales last sale. 6.0% of the offering was passed in after 6.2% of the potential offering was withdrawn prior to sale. 31,102 bales were sold.

AWEX reports that the value of the wool sold was \$45.8 million (\$1,473 per bale), taking the season total to \$431.7 million (\$1,205 per bale). The number of bales sold at auction this season is now 3.7% greater than in 2019/20.

The New Zealand Merino Company also offered 1,587 bales in Melbourne on Wednesday, of which 15.2% were passed in.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 17)									
Centre	Last Sale		Day-to-Day Changes (Week 17)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	16	1117	+123	-21	No Sale	+102 (+9.1%)	1219	+62	+47
Northern	16	1184	+113	-19	No Sale	+94 (+7.9%)	1278	+56	+41
Southern	16	1075	+130	-23	No Sale	+107 (+10.0%)	1182	+66	+50
Western	16	1167	+112	-60	No Sale	+52 (+4.5%)	1219	+26	+17

The market got away to a very strong start on Tuesday when the EMI rose by 123¢ in response to very keen demand. The strong start was expected by buyers following the amount of inquiry received since the previous week's sale, but few would have expected a rise of 123¢. Not, surprisingly, there were rises across all types and micron ranges.

The market eased on Wednesday when the EMI fell by 21¢ following falls in the Merino types, but partly countered by significant rises among the Crossbreds, that took the overall week-to-week change to 102¢.

Looking back over the season, the EMI has risen by 361¢ since the low point of the market in Week 10; and by 103¢ since the first week of the season.

The US Exchange Rate finished 0.89¢ (-1.2%) lower to close at 70.81¢ on Wednesday.

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 30,773 bales to 44,004 bales and to be 2.2% more than in the same period last year. The forecast progressive difference to Week 20 is -1.6%. The potential 44,004 bale offering is scheduled for the coming week. It reflects a seller response to the current strength in the market.

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	303¢	417¢	540¢	622¢	770¢

Market Indicator	Changes From			
	Four Sales Ago Week 13	Start of the Season	Week 17 Last Year	Season Average to Week 17 Last Year
Eastern Market Indicator	+183 (+17.7%)	+94 (+8.4%)	-326 (-21.1%)	-535 (-34.5%)
Western Market Indicator	+134 (+12.4%)	+25 (+2.1%)	-453 (-27.1%)	-586 (-35.5%)

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 ¢	+105	+78	+92	+81	+63	+72	+91	+96	+75	+112		
Change %	+5.7%	+4.4%	+5.6%	+5.3%	+4.4%	+5.5%	+7.3%	+8.2%	+6.6%	+10.3%		
Since Start of the Season												
Change ¢	+247	+213	+213	+199	+152	+112	+88	+37	-3			
Change %	+14.4%	+13.1%	+13.9%	+14.0%	+11.3%	+8.8%	+7.1%	+3.0%	-0.2%			
Since Same Week Last Year												
Change ¢	-37	-98	-162	-260	-350	-417	-453	-490	-536	-536		
Change %	-1.9%	-5.1%	-8.5%	-13.8%	-19.0%	-23.1%	-25.3%	-27.8%	-30.6%	-30.9%		

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 ¢		+134	+150	+94		+46
Change %		+17.8%	+29.0%	+21.4%		+6.0%
Since Start of the Season						
Change ¢		+47	+101	+67	+63	-13
Change %		+5.6%	+17.8%	+14.4%	+23.5%	-1.6%
Since Same Week Last Year						
Change ¢		-283	-382	-279	-148	-218
Change %		-24.2%	-36.4%	-34.4%	-30.9%	-21.1%

MC Average Merino Cardings Price Guide

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Week Ending 23 October 2020 (Week 17)

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 August ABS export data.

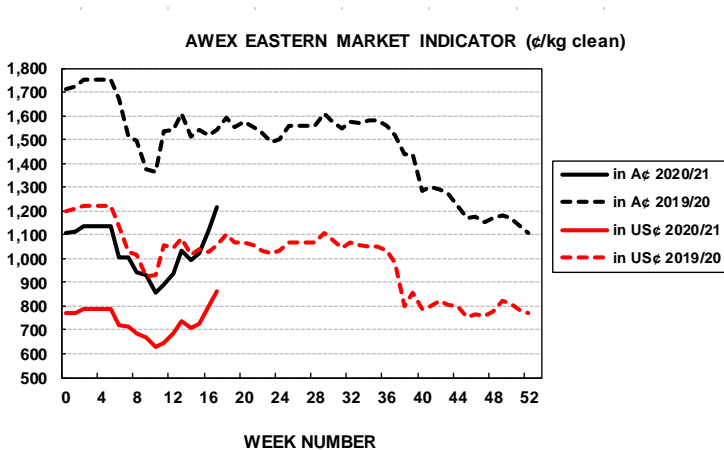
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re- Offered	Bales Sold
North	8,101	8,122	2.4%	5.5%	8.4%	7,929
South	14,351	15,674	4.9%	5.5%	9.5%	14,903
West	5,228	9,278	10.9%	7.9%	8.6%	8,270
<b>Australia</b>	<b>27,680</b>	<b>33,074</b>	<b>6.0%</b>	<b>6.2%</b>	<b>9.0%</b>	<b>31,102</b>

Progressive Changes from Last Year		
All Bales		1 <sup>st</sup> Time Bales
Bales	%	%
-7,509	-6.0%	-4.7%
+2,472	+1.2%	+1.9%
-5,575	-6.8%	-4.1%
<b>-10,612</b>	<b>-2.5%</b>	<b>-1.3%</b>

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 18	Week 19	Week 20	Differences
North	12,122	7,609	9,430	+3.9%
South	20,994	16,774	17,145	+0.4%
West	10,888	6,390	6,450	+4.5%
New Zealand	1,750	1,000		
<b>Australia</b>	<b>44,004</b>	<b>30,773</b>	<b>33,025</b>	<b>107,802</b>
<b>Differences</b>	<b>+24.7%</b>	<b>-9.6%</b>	<b>-8.5%</b>	<b>+2.2%</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	71.70	-0.98	+0.14	-0.43	+0.38	Public	-0.89 (-1.2%)	70.81	69.24	73.60
Euro	61.05	-0.62	+0.10	-0.73	-0.03	Holiday	-1.28 (-2.1%)	59.77	59.77	61.81

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to August	
	August 2020	July to August 2020/21	July to August 2019/20	By Weight	By Value
China	81.4%	85.2%	74.1%	+23.5%	-13.9%
Czech Republic	7.4%	4.7%	3.6%	+38.5%	-35.0%
India	3.7%	3.4%	5.7%	-36.8%	-63.9%
Korea	2.5%	1.9%	2.5%	-18.7%	-34.9%
Italy	1.6%	1.8%	8.0%	-75.6%	-82.9%
Thailand	0.5%	0.6%	0.8%	-11.5%	-50.8%
Egypt	0.8%	0.6%	1.7%	-61.8%	-74.3%
Germany	0.8%	0.6%	0.5%	+31.8%	+14.3%
<b>Change all Countries</b>				<b>+7.4%</b>	<b>-29.3%</b>



AVERAGE EMI	
This Year	1015
Last Year	1448
2018/19	1939
2017/18	1739
2016/17	1408

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

BALES OFFERED	
This Year	405,674
Last Year	416,286
Difference	-10,612
% Diff	-2.5%
FIRST OFFERED BALES	
Difference	-1.3%
% of Offering	90.1%

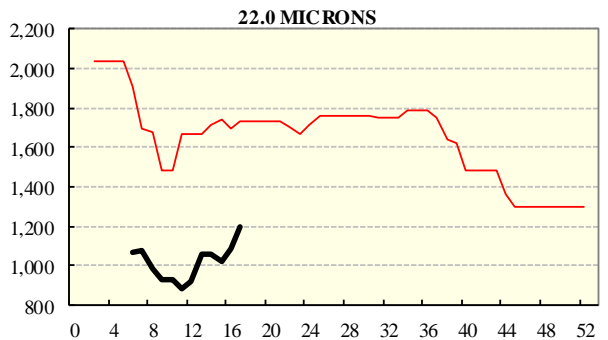
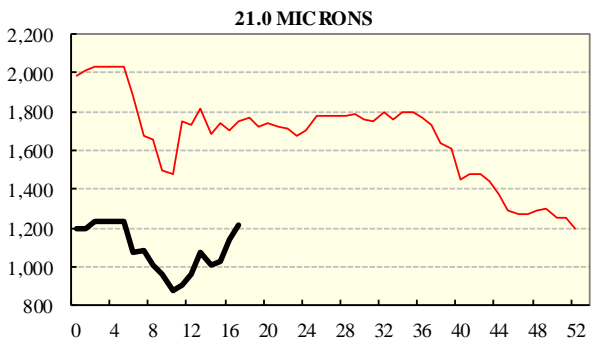
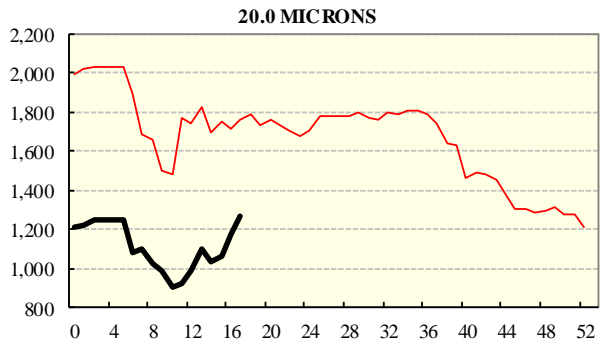
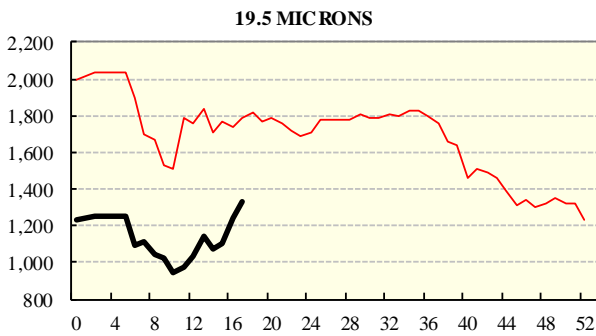
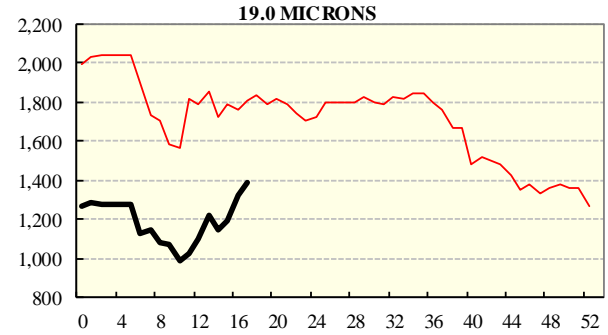
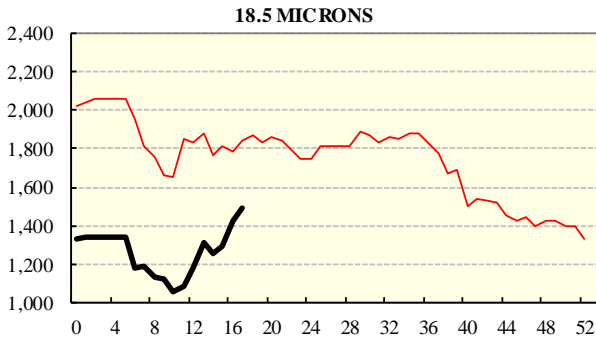
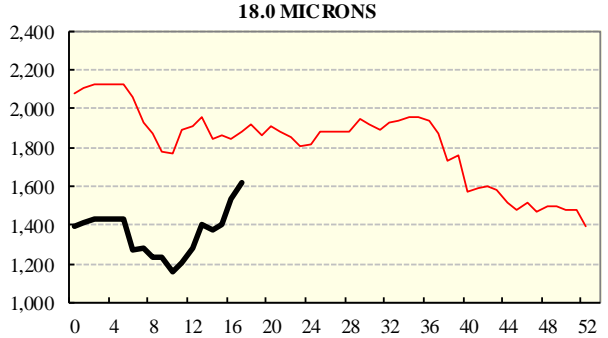
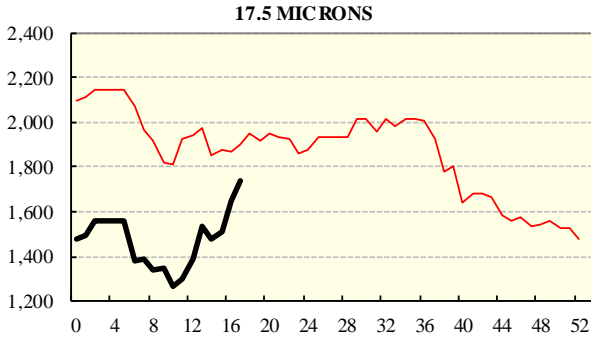
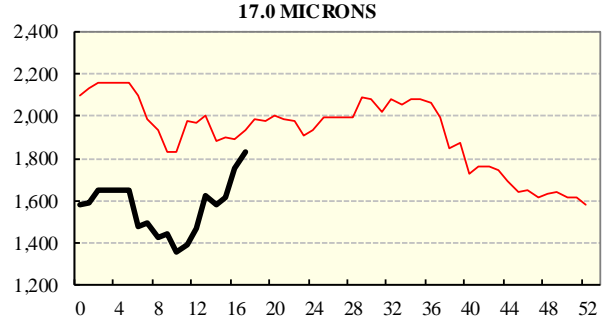
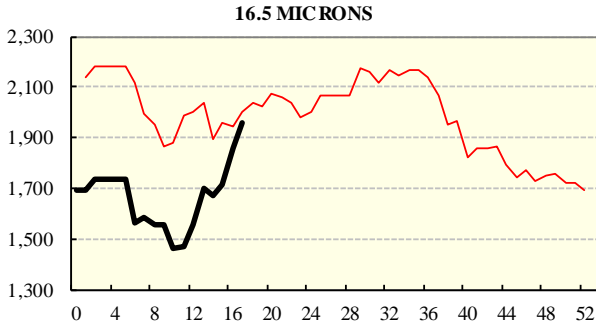
SEASON AVERAGES		
Region	This Year	Diff
North	1067	-414
South	982	-444
West	1064	-489

COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1278	+111
South	1182	+84
West	1219	+25

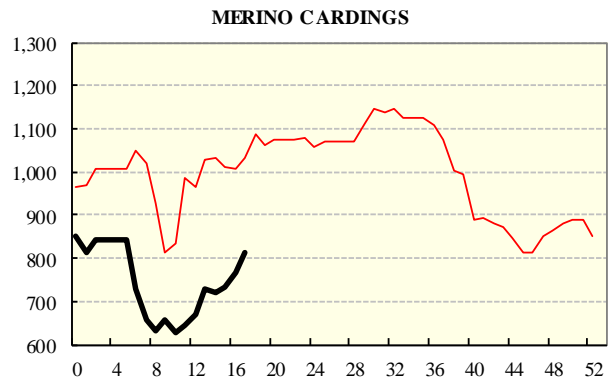
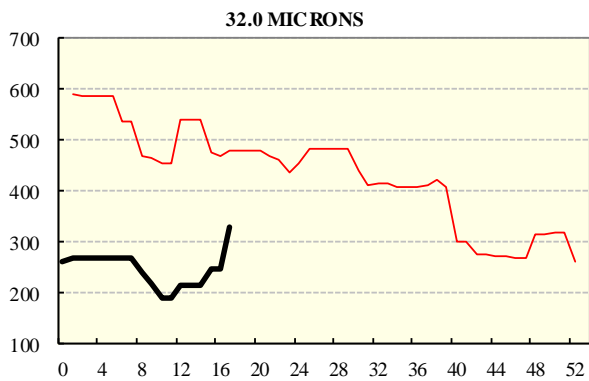
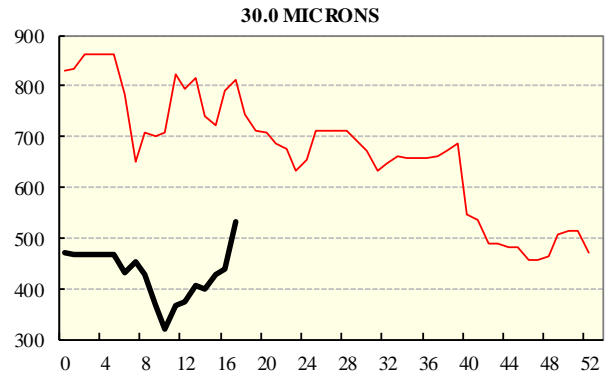
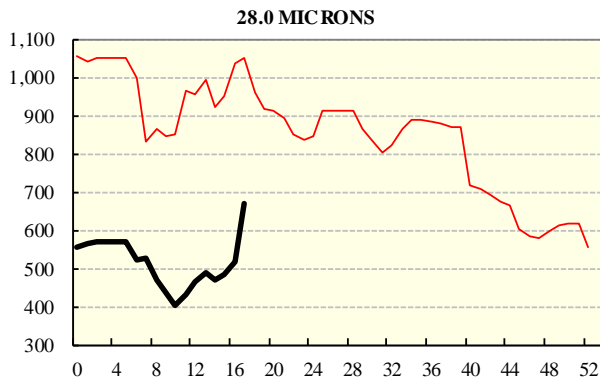
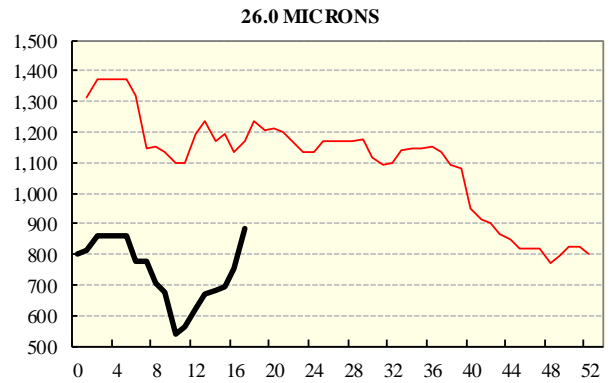
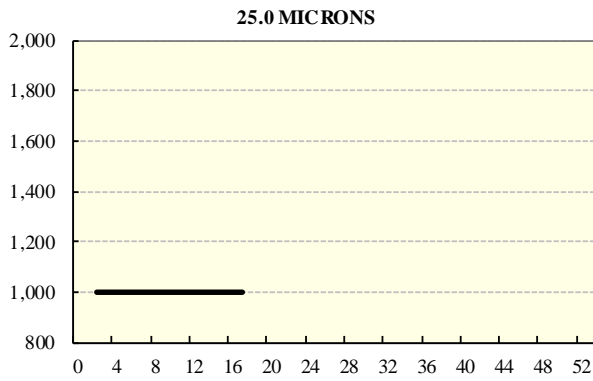
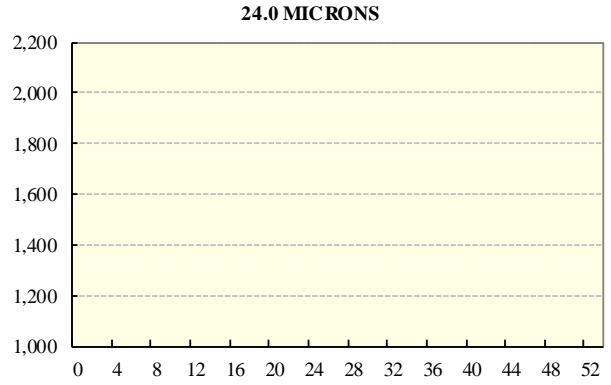
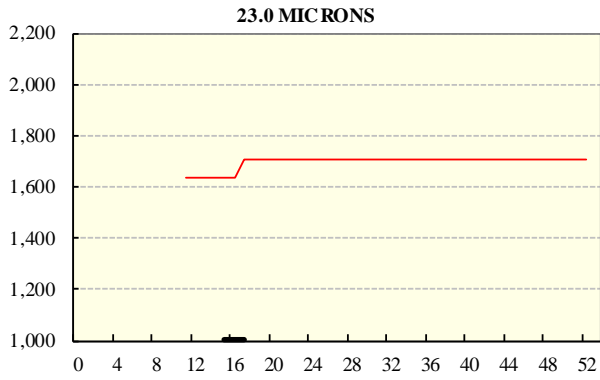
REGION BALES		
This Sale:		
North	8,122	
South	15,674	
West	9,278	
Progressive Totals:		Diff
North	118,619	-6.0%
South	210,377	+1.2%
West	76,678	-6.8%

## 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)

