

# AUSTRALIANWOOL INDUSTRIES SECRETARIAT INC

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## AWIS WOOL MARKET REVIEW Week Ending 4 September 2020 (Week 10)

The AWEX EMI finished at 858¢, 71¢ lower (-7.6%) in Australian currency and 37¢ lower (-5.5%) in US currency at sales in Sydney, Melbourne and Fremantle in Week 10.

27,155 bales were on offer nationally, compared with 20,488 bales last sale. Sellers responded to the fall by passing in 20.6% of the offering, after 11.0% of the potential offering was withdrawn prior to sale. 21,549 bales were sold.

AWEX reports that the value of the wool sold was \$22.0 million (\$1,021 per bale), taking the season total to \$211.9 million (\$1,174 per bale). The number of bales sold at auction this season is now 6.8% greater than in 2019/20. The positive difference is associated with lower progressive rates for the number of bales withdrawn before sale and for those passed-in.

The New Zealand Merino Company also offered 1,844 bales in Melbourne on Wednesday, of which 34.1% were passed in.

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	929	-46	-25	No Sale	-71 (-7.6%)	858	-37	-36
Northern	09	982	-42	-21	No Sale	-63 (-6.4%)	919	-30	-30
Southern	09	895	-47	-29	No Sale	-76 (-8.5%)	819	-41	-39
Western	08	989	-80	-14	No Sale	-94 (-9.5%)	895	-52	-49

It was a disappointing sale in which the fall in the EMI was not helped by the increase in the US Exchange Rate. It finished 1.67¢ (2.3%) higher to close at 73.60¢ on Wednesday. This was the highest rate since August 2018.

There were falls across all types and micron ranges, with the greatest percentage falls again among the broader Merino types and the crossbreds

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

Looking ahead, offerings for the coming three sales are expected to range from 23,120 bales to 31,465 bales. Although well down when compared with historical quantities, they are 6.2% more than in the same period last year. The forecast progressive difference to Week 13 is 2.5%.

In other countries, there were also sharp falls in South Africa, where Cape Wools Indicator was down by 9.9% since last week against a 3.0% appreciation of the Rand against the US Dollar and a 4.8% depreciation 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	No 22.0µ MPG	No 22.0µ MPG	No 22.0µ MPG	No 22.0µ MPG	No 22.0µ MPG

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	-148 (-14.7%)	-267 (-23.7%)	-507 (-37.1%)	-559 (-35.9%)
Western Market Indicator	-160 (-15.2%)	-299 (-25.0%)	-488 (-35.3%)	-589 (-35.6%)

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 ¢	-96	-82	-79	-76	-68	-78	-82	-86	-86			
Change %	-6.2%	-5.7%	-5.9%	-6.1%	-6.0%	-7.3%	-8.0%	-8.7%	-8.9%			
Since Start of the Season												
Change ¢	-252	-259	-257	-257	-284	-291	-304	-333	-339			
Change %	-14.7%	-16.0%	-16.8%	-18.1%	-21.2%	-22.7%	-24.4%	-27.0%	-27.8%			
Since Same Week Last Year												
Change ¢	-417	-472	-539	-602	-600	-573	-569	-577	-594			
Change %	-22.2%	-25.8%	-29.8%	-34.1%	-36.2%	-36.7%	-37.6%	-39.0%	-40.3%			

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 ¢		-137	-32	-49	-30	-28
Change %		-20.4%	-7.4%	-13.3%	-13.6%	-4.3%
Since Start of the Season						
Change ¢		-302	-165	-147	-78	-200
Change %		-36.0%	-29.1%	-31.5%	-29.1%	-24.2%
Since Same Week Last Year						
Change ¢		-564	-449	-387	-266	-205
Change %		-51.3%	-52.8%	-54.8%	-58.3%	-24.6%

MC Average Merino Cardings Price Guide

## AWIS WOOL MARKET REVIEW

Week Ending 4 September 2020 (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 June ABS export data.

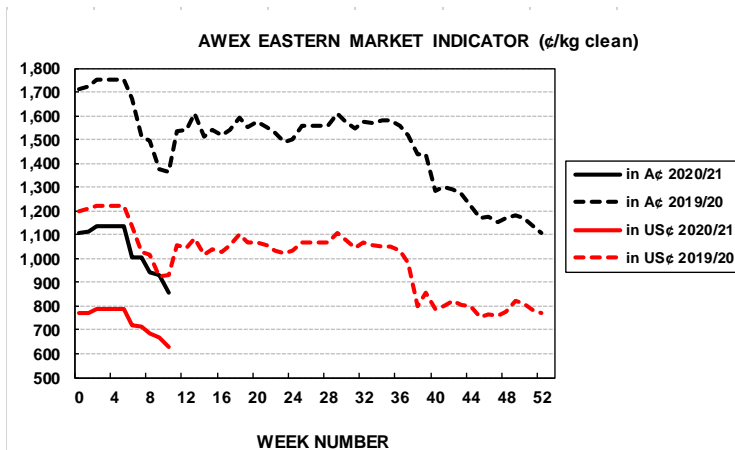
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re-Offered	Bales Sold
North	7,562	7,085	21.1%	4.6%	9.0%	5,587
South	12,926	12,889	17.0%	12.3%	12.5%	10,698
West		7,181	26.7%	14.6%	21.7%	5,264
<b>Australia</b>	<b>20,488</b>	<b>27,155</b>	<b>20.6%</b>	<b>11.0%</b>	<b>14.0%</b>	<b>21,549</b>

Progressive Changes from Last Year		
All Bales		1 <sup>st</sup> Time Bales
Bales	%	%
-6,519	-8.8%	-9.4%
+8,244	+7.9%	+7.1%
+945	+2.6%	+2.5%
<b>+2,670</b>	<b>+1.2%</b>	<b>+0.5%</b>

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 11	Week 12	Week 13	Differences
North	5,458	5,825	6,245	<b>-16.4%</b>
South	12,351	18,740	14,009	<b>+18.0%</b>
West	5,311	6,900	6,600	<b>+7.4%</b>
<b>New Zealand</b>		<b>2,700</b>		
<b>Australia</b>	<b>23,120</b>	<b>31,465</b>	<b>26,854</b>	<b>81,439</b>
<b>Differences</b>	<b>+20.5%</b>	<b>+4.4%</b>	<b>-1.9%</b>	<b>+6.2%</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	71.93	+1.06	+0.55	+0.58	-0.52	Public	+1.67 (+2.3%)	73.60	69.24	73.60
Euro	60.89	+0.59	+0.30	+0.02	+0.01	Holiday	+0.92 (+1.5%)	61.81	60.72	61.81

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to June	
	June 2020	July to June 2019/20	July to June 2018/19	By Weight	By Value
China	92.1%	80.7%	77.9%	-13.2%	-33.3%
India	2.1%	5.2%	5.8%	-24.9%	-38.9%
Italy	1.0%	4.0%	4.6%	-26.7%	-41.5%
Czech Republic	0.5%	3.2%	3.6%	-26.3%	-38.3%
Korea	1.2%	1.9%	2.4%	-35.6%	-46.5%
Egypt	0.3%	1.0%	0.9%	-7.4%	-27.5%
Thailand	0.5%	0.8%	0.9%	-25.9%	-47.0%
Taiwania	0.1%	0.5%	0.6%	-33.2%	-54.8%
<b>Change all Countries</b>				<b>-16.2%</b>	<b>-35.1%</b>



AVERAGE EMI	
This Year	999
Last Year	1448
2018/19	1939
2017/18	1739
2016/17	1408

SEASON AVERAGES		
Region	This Year	Diff
North	1045	-436
South	969	-457
West	1064	-490

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

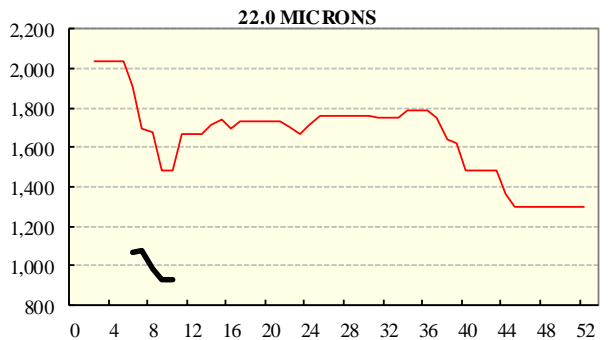
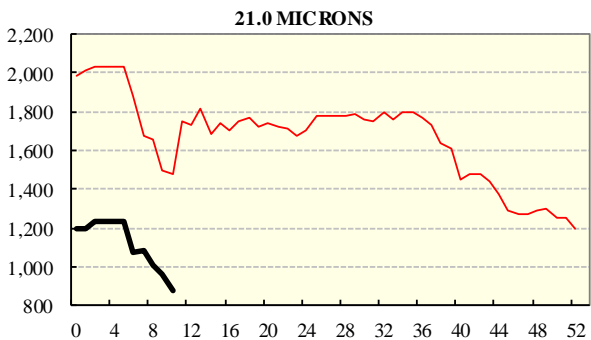
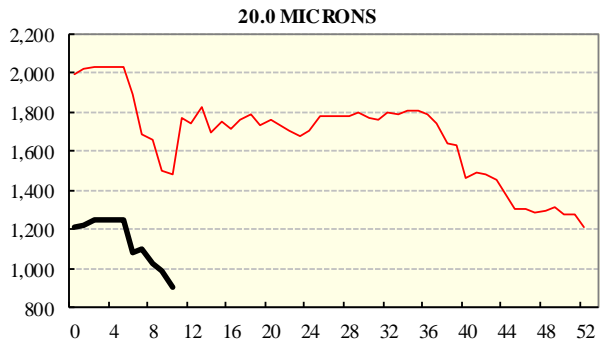
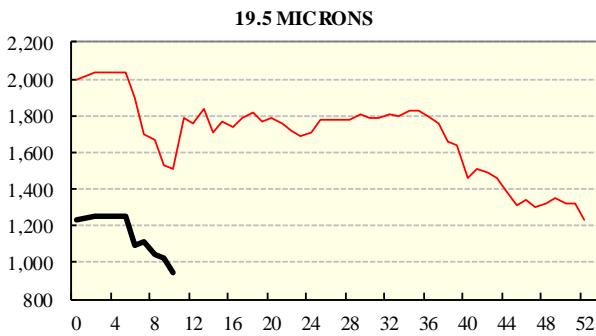
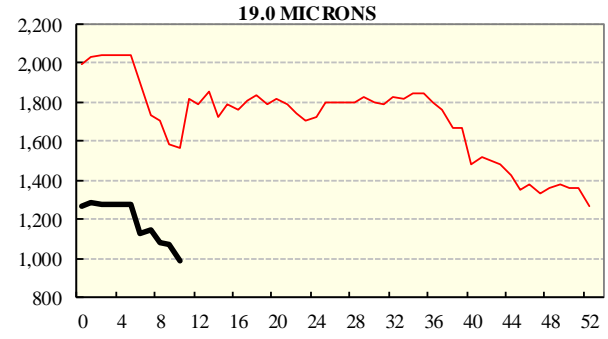
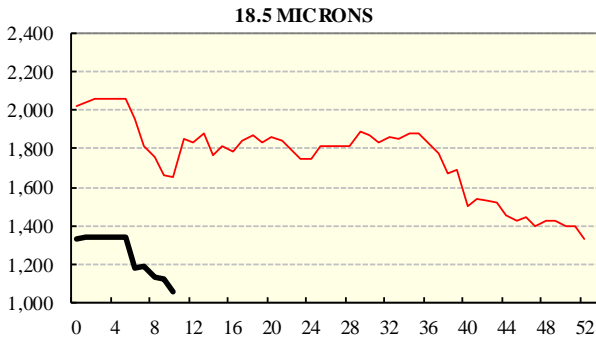
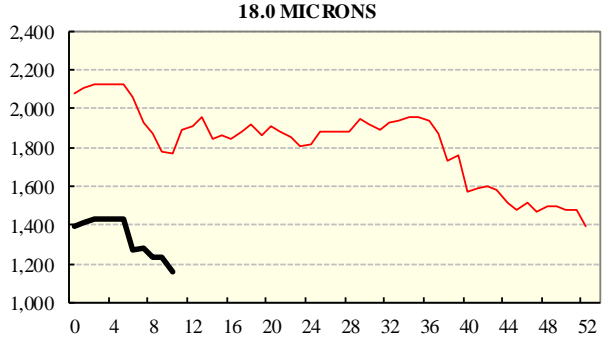
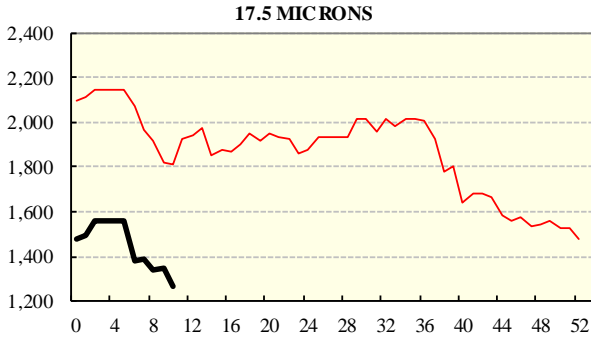
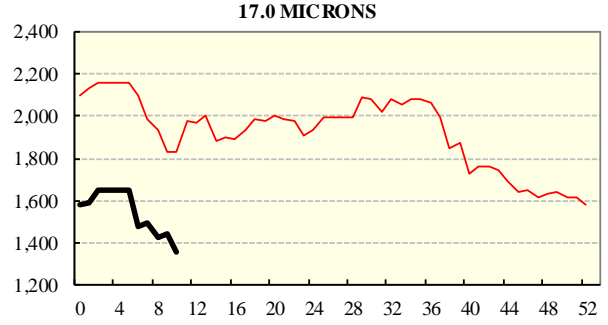
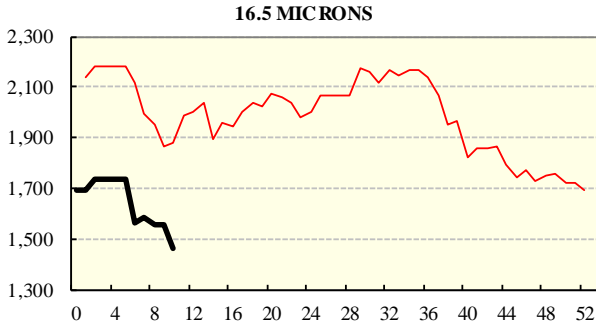
COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	919	-248
South	819	-279
West	895	-299

BALES OFFERED	
This Year	218,159
Last Year	215,489
Difference	+2,670
% Diff	+1.2%
FIRST OFFERED BALES	
Difference	+0.5%
% of Offering	88.9%

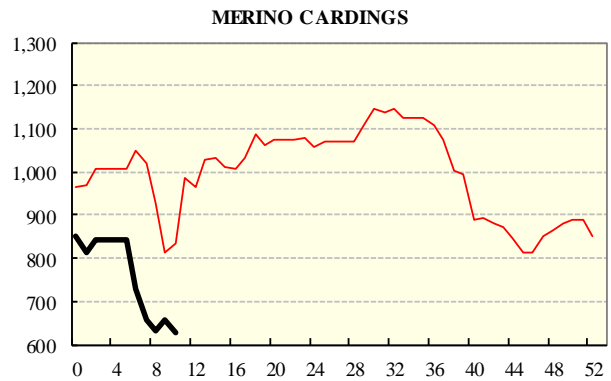
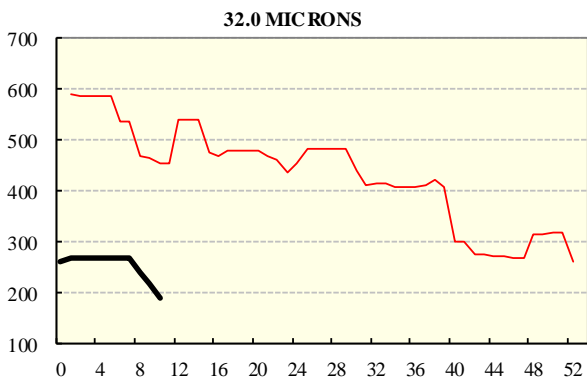
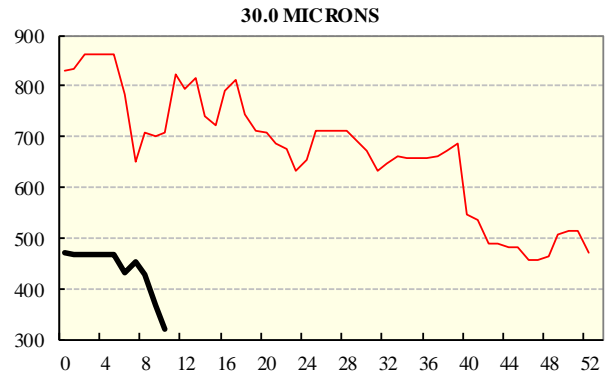
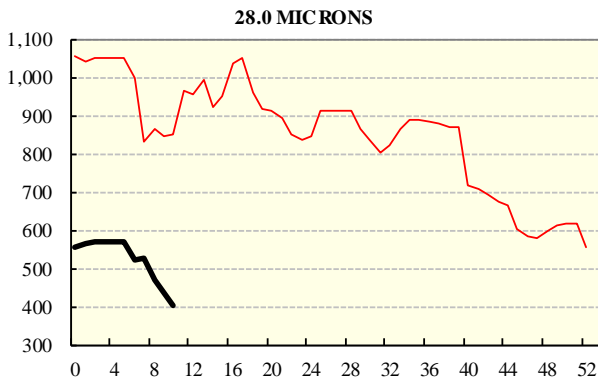
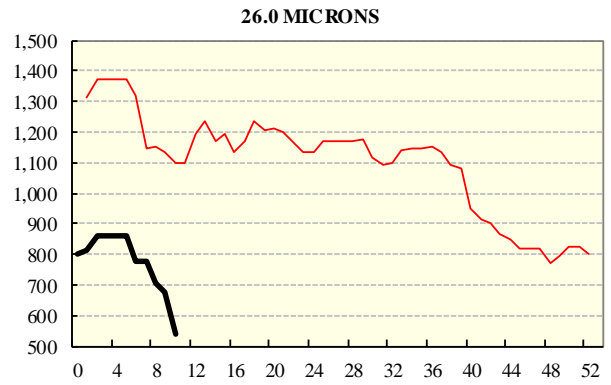
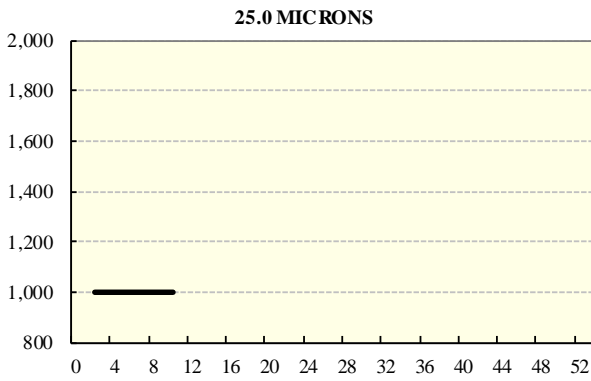
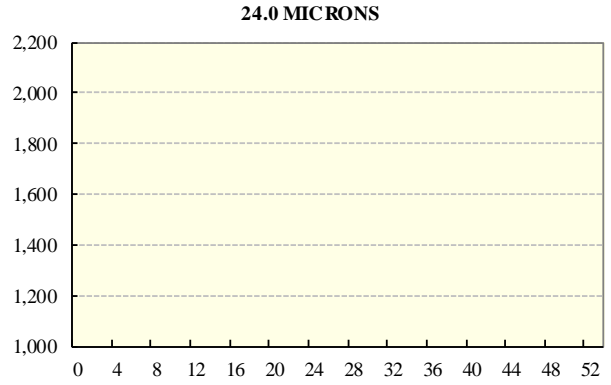
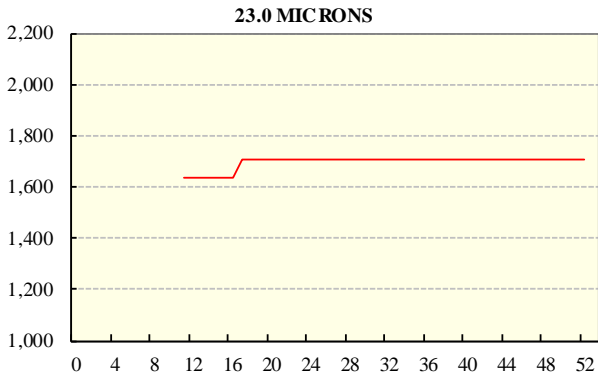
REGION BALES		
This Sale:		
North	7,085	
South	12,889	
West	7,181	
Progressive Totals:		Diff
North	67,270	-8.8%
South	112,949	+7.9%
West	37,940	+2.6%

## 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)

