

# AUSTRALIANWOOL INDUSTRIES SECRETARIAT INC

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## AWIS WOOL MARKET REVIEW Week Ending 6 November 2020 (Week 19)

The AWEX EMI finished 50¢ higher (+4.4%) in Australian currency and 38¢ higher (+4.7%) in US currency at sales in Sydney, Melbourne and Fremantle in Week 19.

32,112 bales were on offer nationally, compared with 35,923 bales last sale. 8.9% of the offering was passed in after 6.6% of the potential offering was withdrawn prior to sale. 29,268 bales were sold.

AWEX reports that the value of the wool sold was \$41.7 million (\$1,425 per bale), taking the season total to \$509.0 million (\$1,215 per bale). The number of bales sold at auction this season is now 1.8% greater than in 2019/20.

The New Zealand Merino Company also offered 1,136 bales in Melbourne on Thursday, of which 14.7% were passed in.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 19)									
Centre	Last Sale		Day-to-Day Changes (Week 19)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	18	1138	No Sale	+85	-35	+50 (+4.4%)	1188	+38	+35
Northern	18	1190	No Sale	+94	-39	+55 (+4.6%)	1245	+42	+38
Southern	18	1104	No Sale	+80	-31	+49 (+4.4%)	1153	+37	+34
Western	18	1181	No Sale	+82	-46	+36 (+3.0%)	1217	+28	+27

Sales were held on Wednesday and Thursday because of the Melbourne Cup Public Holiday on Tuesday.

The pattern of the market was similar to two sales ago when the market rose sharply on the first day; and eased on the second day, but still finished in positive territory for the week. All of the gains in the average Merino AWEX MPGs exceeded 100¢ on Wednesday. Most of the week changes in the average AWEX MPGs were between 4 and 5% for Merinos and slightly less for the Crossbreds. The closing EMI (1188¢) was 330¢ above the season low point of 858¢ in Week 10.

The US Exchange Rate finished 0.21¢ (0.3%) higher to close at 71.66¢ on Thursday.

Buyers for China continued their dominance, while European interests also had a presence on the major buyers' list. ABS released the Export Statistics for September during the week. They show that 89% of Australia's exports went to China in September and 87% went there in the July to September period, compared with 74% in the same period last year.

Looking ahead, offerings for the coming three sales are expected to range from 34,566 bales to 41,969 bales and to be 2.0% more than in the same period last year. The forecast progressive difference to Week 22 is -1.6%.

In other countries, the South African Cape Wools Indicator was up by 7.9% since last week against a 1.1% appreciation of the Rand against the US Dollar and a 1.7% 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	No 22.0µ MPG	No 22.0µ MPG	No 22.0µ MPG	No 22.0µ MPG	No 22.0µ MPG

Market Indicator	Four Sales Ago Week 15	Changes From		
		Start of the Season	Week 19 Last Year	Season Average to Week 19 Last Year
Eastern Market Indicator	+166 (+16.2%)	+63 (+5.6%)	-367 (-23.6%)	-520 (-33.5%)
Western Market Indicator	+163 (+15.5%)	+23 (+1.9%)	-445 (-26.8%)	-571 (-34.5%)

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 ¢	+83	+67	+76	+69	+68	+64	+65	+58	+52			
Change %	+4.4%	+3.8%	+4.7%	+4.6%	+4.8%	+4.9%	+5.2%	+4.9%	+4.5%			
Since Start of the Season												
Change ¢	+235	+189	+174	+159	+133	+98	+73	+19	-14			
Change %	+13.7%	+11.7%	+11.4%	+11.2%	+9.9%	+7.7%	+5.8%	+1.5%	-1.1%			
Since Same Week Last Year												
Change ¢	-72	-164	-215	-288	-361	-412	-445	-480	-515			
Change %	-3.6%	-8.3%	-11.2%	-15.4%	-19.7%	-23.0%	-25.2%	-27.7%	-30.0%			

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 ¢			+35	+23	0	-20
Change %			+4.3%	+3.9%	0.0%	-2.5%
Since Start of the Season						
Change ¢			+9	+52	+12	+17
Change %			+1.1%	+9.2%	+2.6%	+6.3%
Since Same Week Last Year						
Change ¢			-358	-296	-233	-281
Change %			-29.7%	-32.3%	-32.8%	-26.5%

MC Average Merino Cardings Price Guide

## AWIS WOOL MARKET REVIEW

Week Ending 6 November 2020 (Week 19)

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 September ABS export data.

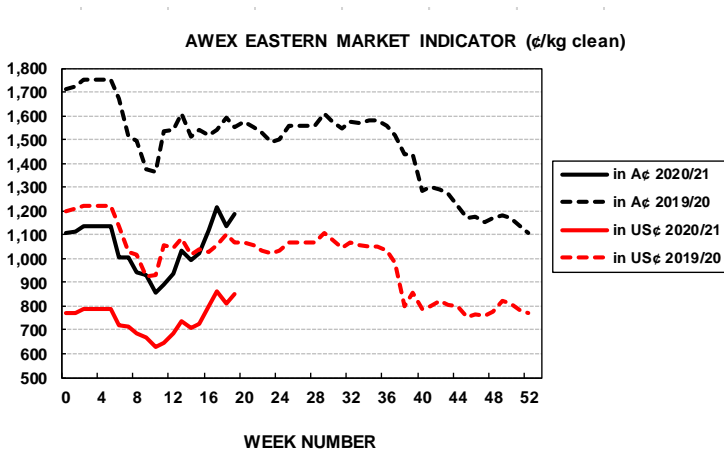
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re-Offered	Bales Sold
North	11,488	8,520	4.0%	4.4%	4.2%	8,183
South	16,313	16,674	9.8%	6.4%	3.4%	15,035
West	8,122	6,918	12.5%	9.6%	10.6%	6,050
Australia	35,923	32,112	8.9%	6.6%	5.2%	29,268

Progressive Changes from Last Year		
All Bales		1 <sup>st</sup> Time Bales
Bales	%	%
-5,779	-4.0%	-2.6%
+740	+0.3%	+1.1%
-6,895	-7.0%	-4.0%
<b>-11,934</b>	<b>-2.5%</b>	<b>-1.0%</b>

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 20	Week 21	Week 22	Differences
North	9,016	7,790	7,770	-17.2%
South	22,293	19,676	20,470	+8.0%
West	10,660	7,100	7,100	+12.3%
New Zealand		1,800	1,500	
Australia	41,969	34,566	35,340	111,875
Differences	+16.2%	-3.2%	-6.5%	+2.0%

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	71.45	-1.01	-0.44	+0.30	+0.75	+0.61	+0.21 (+0.3%)	71.66	69.24	73.60
Euro	60.65	-0.35	-0.12	+0.16	+0.62	+0.09	+0.40 (+0.7%)	61.05	59.77	61.81

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to September	
	September 2020	July to September 2020/21	July to September 2019/20	By Weight	By Value
China	89.2%	87.0%	74.4%	+23.6%	-12.0%
Czech Republic	3.7%	4.0%	3.2%	+31.7%	-41.6%
India	1.9%	2.8%	6.0%	-47.1%	-69.3%
Italy	1.4%	1.7%	7.8%	-76.9%	-82.9%
Korea	1.2%	1.7%	2.4%	-26.4%	-41.9%
Thailand	0.5%	0.6%	0.8%	-24.6%	-52.5%
Egypt	0.6%	0.5%	1.9%	-73.9%	-81.4%
Germany	0.1%	0.4%	0.5%	-16.1%	-28.5%
<b>Change all Countries</b>				<b>+5.7%</b>	<b>-29.1%</b>



AVERAGE EMI	
This Year	1033
Last Year	1448
2018/19	1939
2017/18	1739
2016/17	1408

THIS YEAR'S EMI	
This Week	1188
First Week	1116
Low (11/01)	858
High (13/01)	1219

BALES OFFERED	
This Year	473,709
Last Year	485,643
Difference	-11,934
% Diff	-2.5%
FIRST OFFERED BALES	
Difference	-1.0%
% of Offering	90.6%

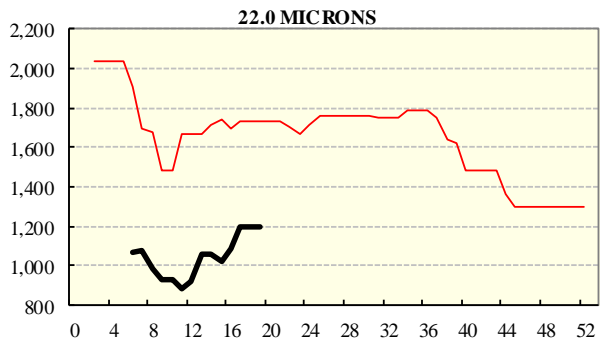
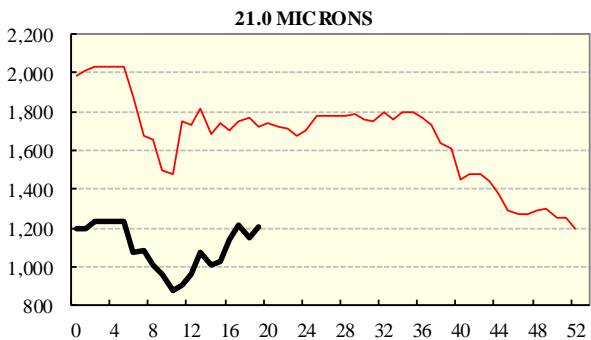
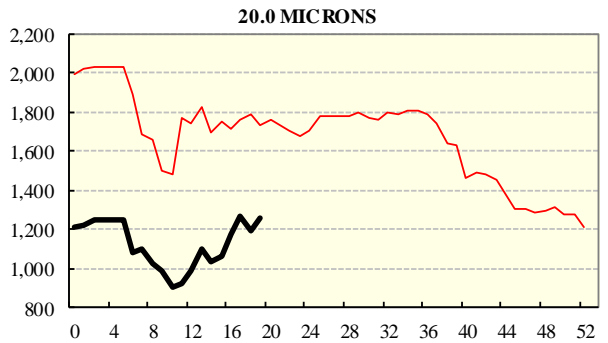
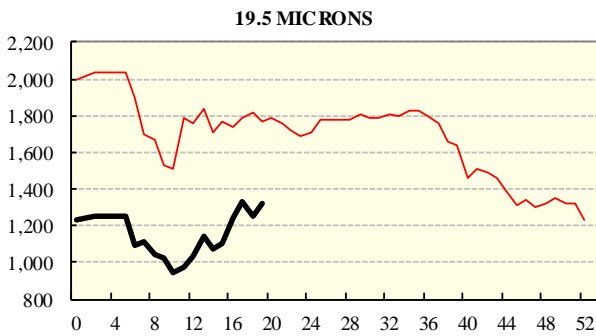
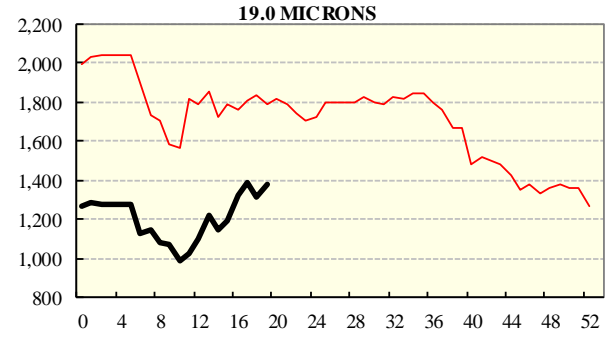
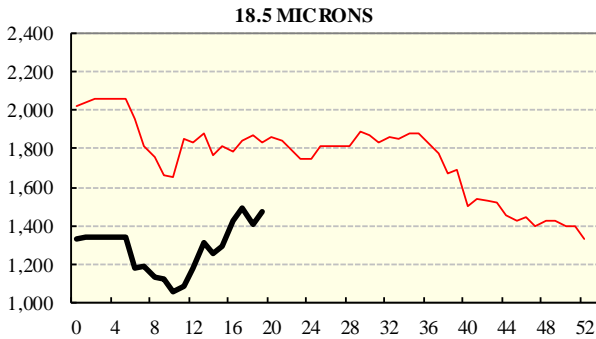
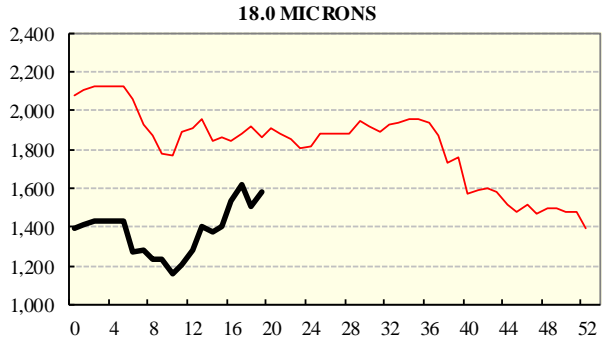
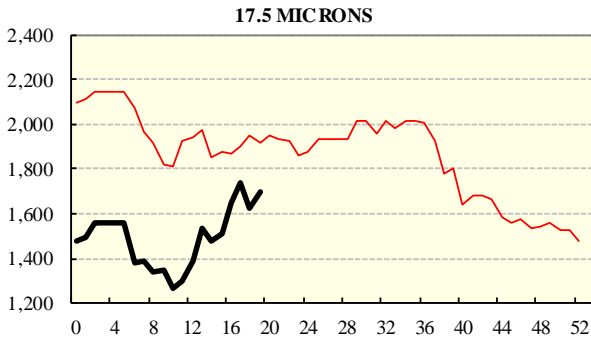
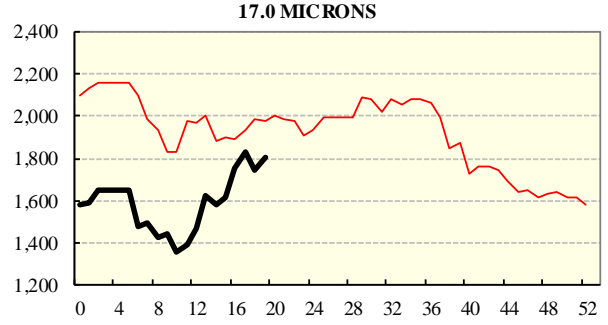
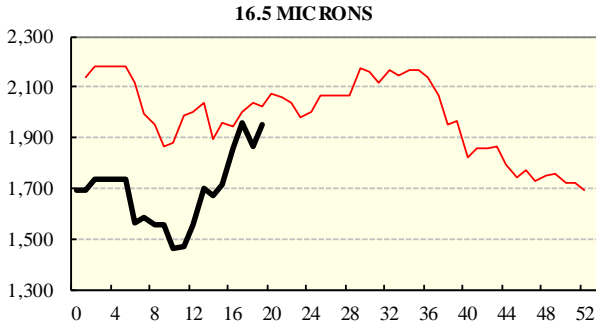
SEASON AVERAGES		
Region	This Year	Diff
North	1086	-396
South	1000	-426
West	1082	-471

COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1245	+78
South	1153	+55
West	1217	+23

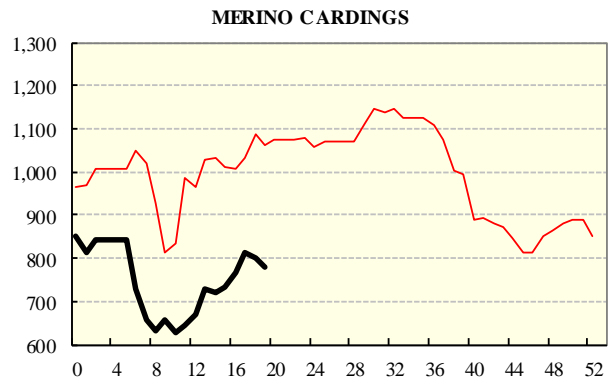
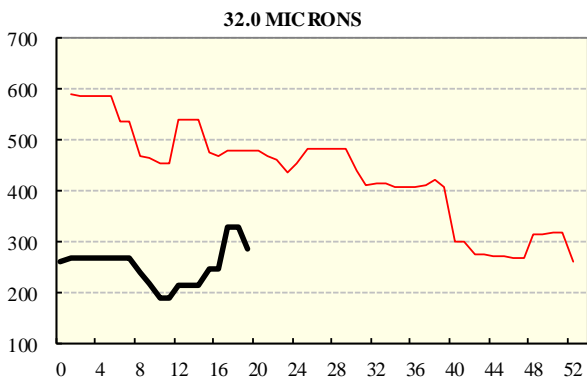
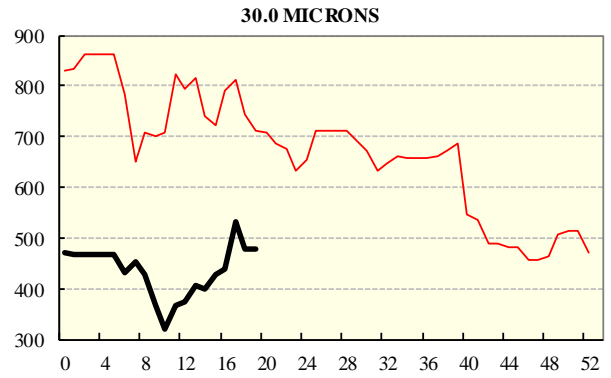
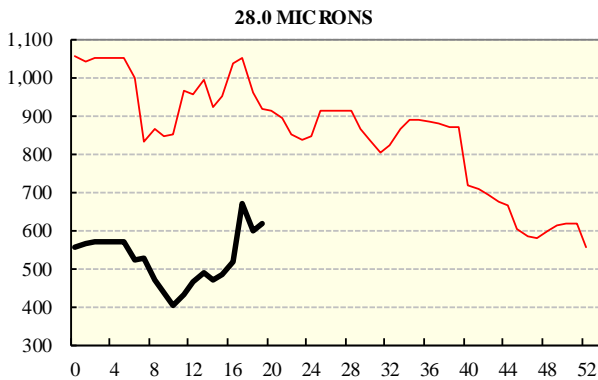
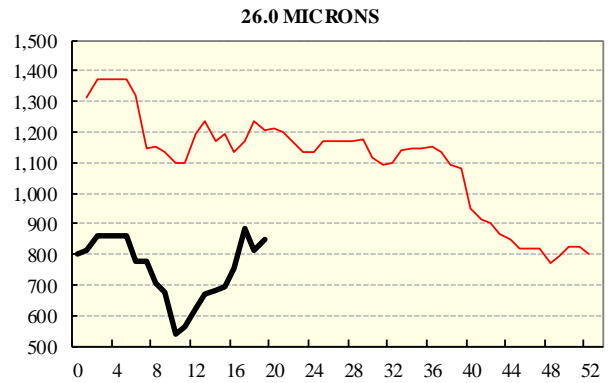
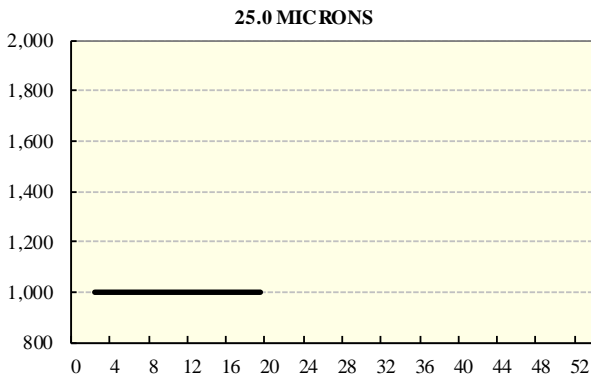
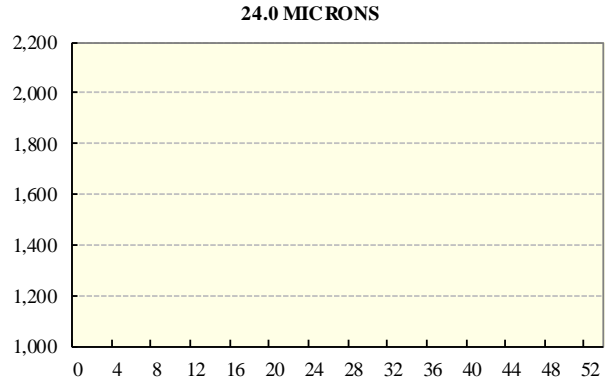
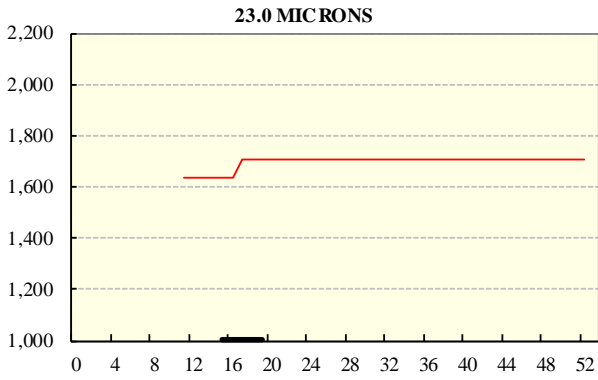
REGION BALES		
This Sale:		
North	8,520	
South	16,674	
West	6,918	
Progressive Totals:		Diff
North	138,627	-4.0%
South	243,364	+0.3%
West	91,718	-7.0%

## 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)

