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AWIS WOOL MARKET REVIEW

Week Ending 7 August 2020 (Week 06)

The AWEX EMI finished at 1006¢, 128¢ lower (-11.3%) in Australian currency at sales in Sydney, Melbourne and Fremantle in Week 06.

The fall was much less in US currency, where the EMI was down by 65¢ (-8.3%) following a rise of 2.40¢ (3.5%) in the US Exchange Rate to 71.81¢ on Wednesday over the break.

42,764 bales were on offer nationally, compared with 35,262 bales last sale. 30.1% (including 51.2% in the West) of the offering was passed in after 9.4% of the potential offering was withdrawn prior to sale, leaving 29,911 bales as sold. The offering was the largest since Week 39 in March earlier this year.

AWEX reports that the value of the wool sold was \$33.2 million (\$1,110 per bale), taking the season total to \$112.4 million (\$1,270 per bale). The number of bales sold at auction this season is 1.9% greater than in 2018/19.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 06)									
Centre	Last Sale		Day-to-Day Changes (Week 06)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	02	1134	-101	-27	No Sale	-128 (-11.3%)	1006	-65	-86
Northern	02	1175	-108	-23	No Sale	-131 (-11.1%)	1044	-66	-88
Southern	02	1108	-96	-31	No Sale	-127 (-11.5%)	981	-65	-85
Western	02	1202	-123	-24	No Sale	-147 (-12.2%)	1055	-76	-98

The market was not able to maintain the upward momentum that was present when sales closed for the three week mid-year break. The downward trend in this week's sale was no surprise given the global economic uncertainty and reduced manufacturing activity, together with trade reports of poor demand leading up to the sale.

Falls occurred across all wool types and micron ranges and were least among the crossbreds and at the fine end of the Merinos. They were greatest on the opening day when the EMI fell by 101¢.

Buyers for China continued their dominance following on from the ABS export data for June which reported that 92% of Australia's wool exports went to China. This took the 12 months total to China for 2019/20 to 81%. However, it was good to see two European companies on the major buyers list.

Offerings for the coming three sales are expected to range from 23,980 bales to 37,250 bales and to be 8.6% more than in the same period last year. The forecast progressive difference to Week 9 is 5.0%.

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	111¢	198¢	300¢	405¢	490¢

Market Indicator	Changes From			
	Four Sales Ago Week 51	Start of the Season	Week 06 Last Year	Season Average to Week 06 Last Year
Eastern Market Indicator	-133 (-11.7%)	-119 (-10.6%)	-670 (-40.0%)	-633 (-36.8%)
Western Market Indicator	No Sale	-139 (-11.6%)	-705 (-40.1%)	-693 (-37.7%)

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 ¢	-168	-171	-180	-160	-160	-154	-155	-161	-164			
Change %	-9.7%	-10.4%	-11.5%	-11.2%	-11.9%	-12.1%	-12.4%	-12.9%	-13.3%			
Since Start of the Season												
Change ¢	-148	-143	-147	-149	-161	-157	-152	-150	-145			
Change %	-8.6%	-8.8%	-9.6%	-10.5%	-12.0%	-12.3%	-12.2%	-12.2%	-11.9%			
Since Same Week Last Year												
Change ¢	-549	-617	-693	-787	-772	-779	-799	-809	-812	-833		
Change %	-25.9%	-29.5%	-33.4%	-38.2%	-39.6%	-41.0%	-42.2%	-42.7%	-43.1%	-43.8%		

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 ¢		-88	-49	-35		-112
Change %		-10.2%	-8.6%	-7.5%		-13.3%
Since Start of the Season						
Change ¢		-63	-47	-35		-98
Change %		-7.5%	-8.3%	-7.5%		-11.9%
Since Same Week Last Year						
Change ¢		-543	-477	-353		-319
Change %		-41.2%	-47.8%	-45.0%		-30.4%

MC Average Merino Cardings Price Guide

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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.

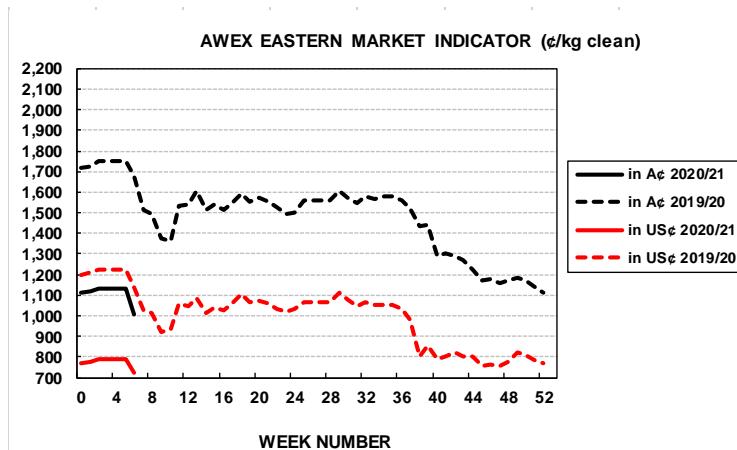
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re- Offered	Bales Sold
North	11,273	14,505	24.2%	6.2%	5.7%	11,002
South	19,682	20,072	25.7%	8.4%	8.7%	14,914
West	4,307	8,187	51.2%	16.6%	10.8%	3,995
Australia	35,262	42,764	30.1%	9.4%	8.1%	29,911

Progressive Changes from Last Year		
All Bales		1 st Time Bales
Bales	%	%
-1,611	-4.3%	-5.0%
+4,389	+8.9%	+6.8%
-543	-2.7%	+0.9%
+2,235	+2.1%	+1.5%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 07	Week 08	Week 09	Differences
North	9,270	8,125	8,104	-13.4%
South	18,647	22,175	15,876	+29.1%
West	5,496	6,950	No Sale	-60.2%
New Zealand				
Australia	33,413	37,250	23,980	94,643
Differences	-5.7%	+40.6%	-5.1%	+8.6%

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	69.41	+2.72	Public	-0.81	+0.49	Public	+2.40 (+3.5%)	71.81	69.24	71.81
Euro	61.56	-0.89	Holiday	-0.05	+0.22	Holiday	-0.72 (-1.2%)	60.84	60.84	61.56

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%
Change all Countries				-16.2%	-35.1%



AVERAGE EMI	
This Year	1085
Last Year	1448
2018/19	1939
2017/18	1739
2016/17	1408

SEASON AVERAGES		
Region	This Year	Diff
North	1126	-356
South	1059	-367
West	1147	-406

THIS YEAR'S EMI	
This Week	1006
First Week	1116
Low (11/01)	1006
High (12/01)	1134

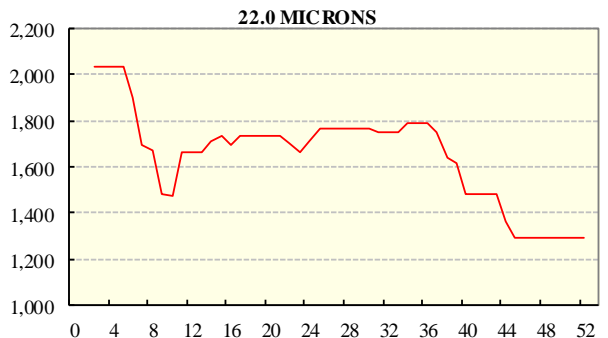
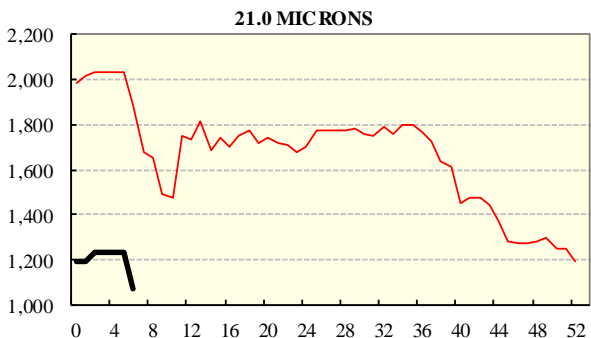
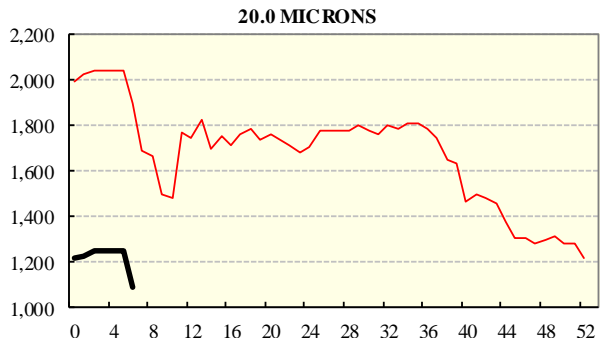
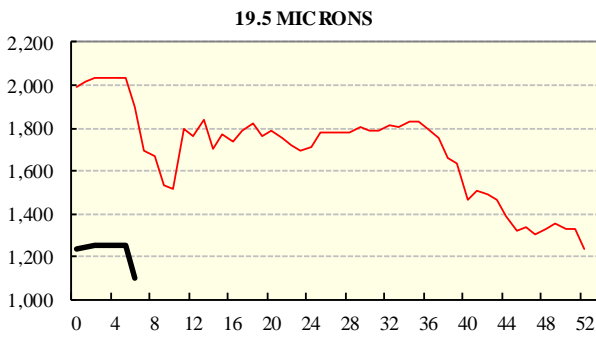
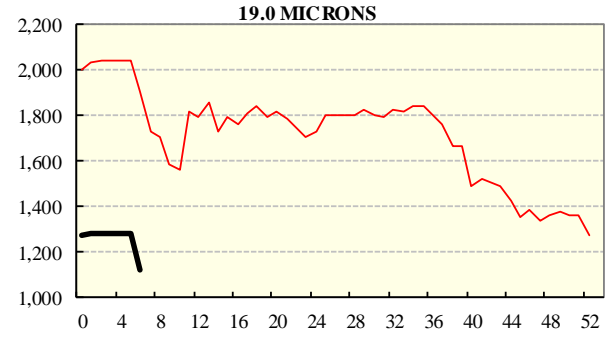
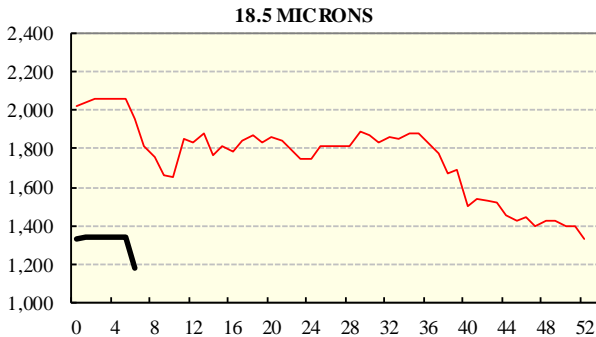
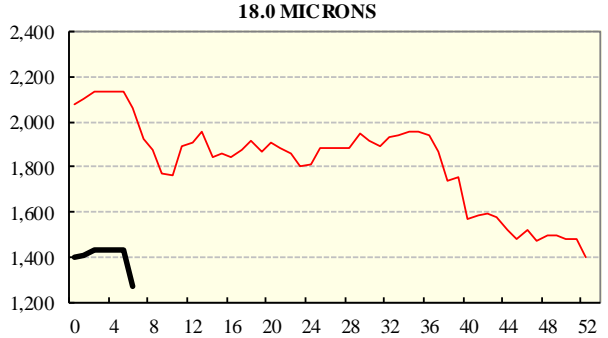
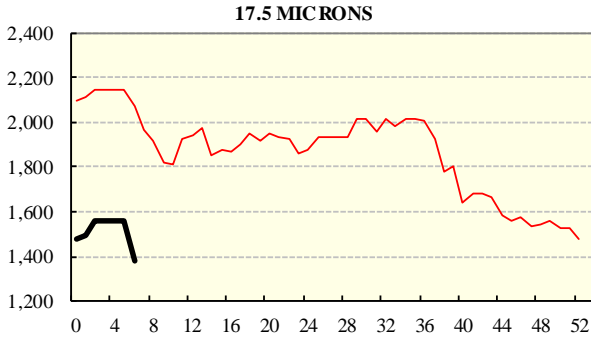
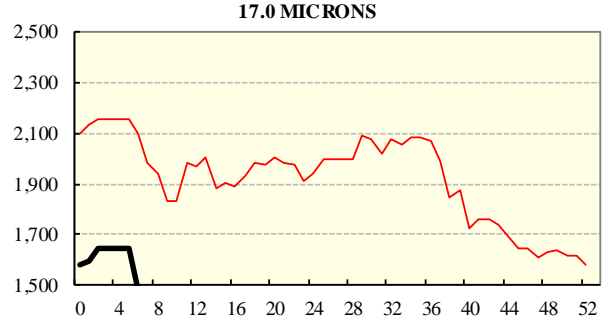
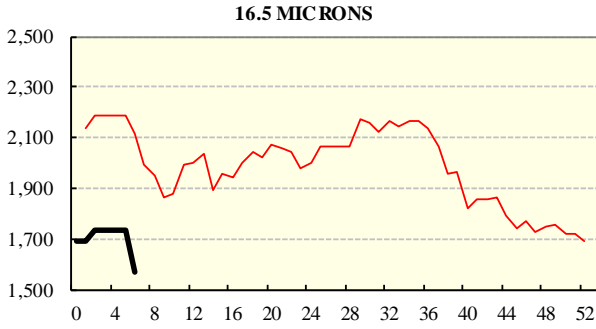
COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1044	-123
South	981	-117
West	1055	-139

BALES OFFERED	
This Year	108,847
Last Year	106,612
Difference	+2,235
% Diff	+2.1%
FIRST OFFERED BALES	
Difference	+1.5%
% of Offering	90.7%

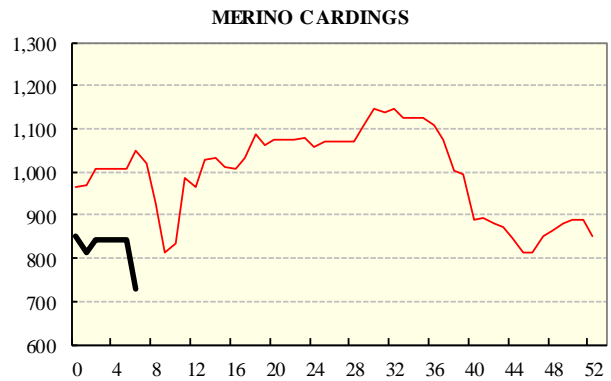
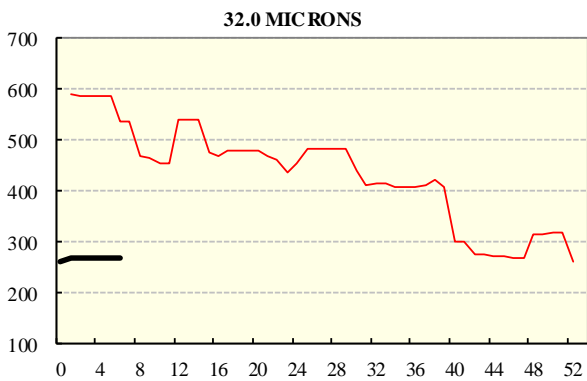
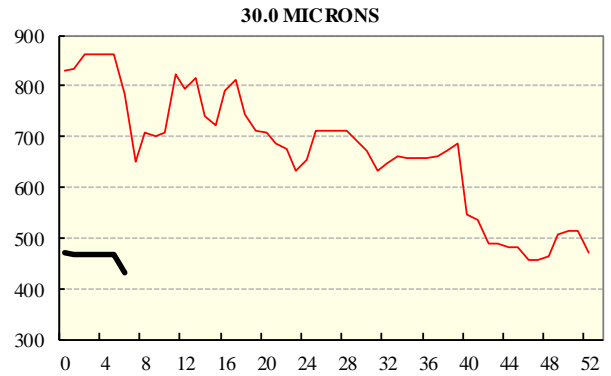
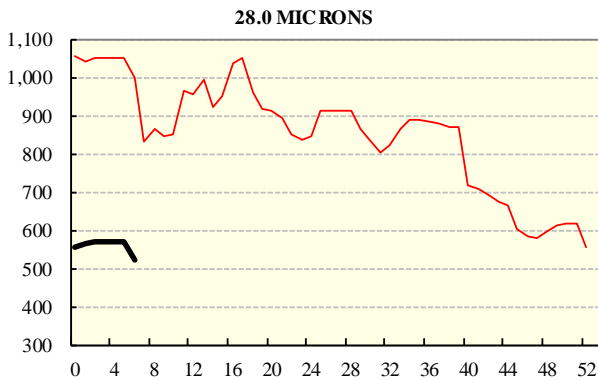
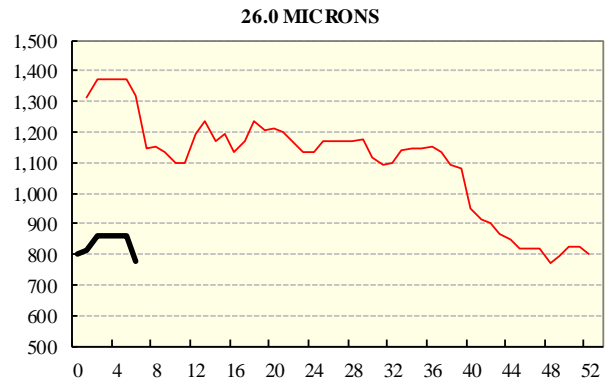
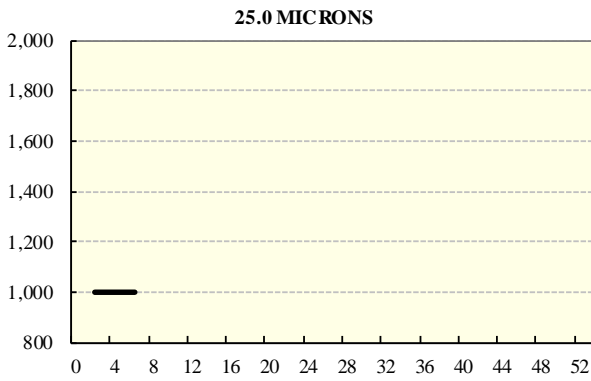
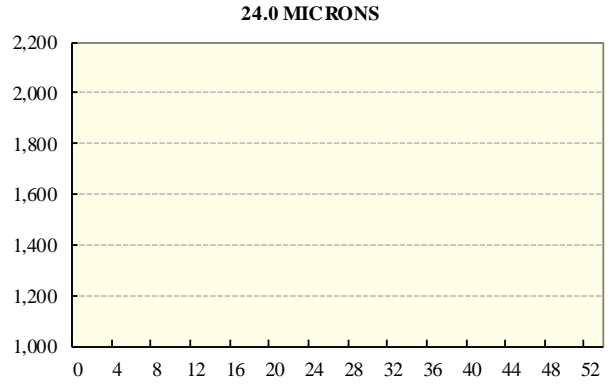
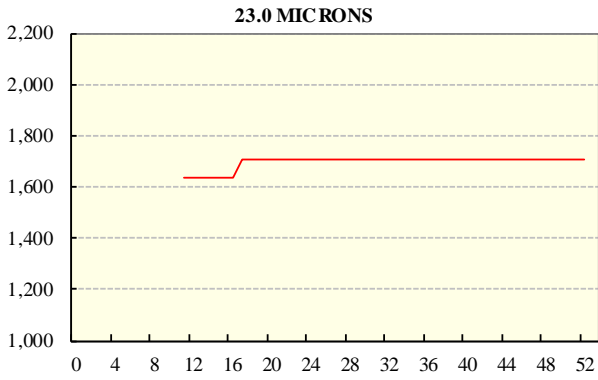
REGION BALES		
This Sale:		
North	14,505	
South	20,072	
West	8,187	
Progressive Totals:		Diff
North	35,706	-4.3%
South	53,545	+8.9%
West	19,596	-2.7%

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)

