

# AUSTRALIANWOOL INDUSTRIES SECRETARIAT INC

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## AWIS WOOL MARKET REVIEW

Week Ending 9 October 2020 (Week 15)

The AWEX EMI finished 26¢ higher (+2.6%) in Australian currency and 20¢ higher (+2.8%) in US currency at sales in Sydney, Melbourne and Fremantle in Week 15.

28,346 bales were on offer nationally, compared with 29,302 bales last sale. 5.2% of the offering was passed in after 11.3% of the potential offering was withdrawn prior to sale. 26,862 bales were sold.

AWEX reports that the value of the wool sold was \$32.7 million (\$1,217 per bale), taking the season total to \$349.5 million (\$1,160 per bale). The number of bales sold at auction this season is now 3.3% greater than in 2019/20.

The New Zealand Merino Company also offered 1,322 bales in Melbourne on Wednesday, of which 2.3% were passed in.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 15)									
Centre	Last Sale		Day-to-Day Changes (Week 15)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	14	996	+20	+6	No Sale	+26 (+2.6%)	1022	+20	+17
Northern	14	1053	+19	+4	No Sale	+23 (+2.2%)	1076	+19	+15
Southern	14	961	+20	+6	No Sale	+26 (+2.7%)	987	+20	+17
Western	14	1024	+27	+3	No Sale	+30 (+2.9%)	1054	+23	+20

Movement in the market returned to an upward direction, with good demand across all micron ranges and types on Tuesday, before steadying on Wednesday. Rises in the average AWEX MPGs were relatively uniform at 2 to 3% across the Merino micron ranges, apart from a rise of 3.5% at 19 microns. The market movements have been upwards in four of the last five weeks.

The rises continued in the Crossbreds, particularly at 30 microns, where good demand on both days contributed to a 7.5% week-to-week increase.

The US Exchange Rate strengthened slightly when it finished 0.16¢ (0.2%) higher to close at 71.24¢ 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 30,468 bales to 34,464 bales and to be 1.7% less than in the same period last year. The forecast progressive difference to Week 18 is -2.4%.

In other countries, the South African Cape Wools Indicator was up by 6.2% since last week against a 3.3% depreciation of the Rand against the US Dollar and a 2.1% 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	266¢	383¢	486¢	588¢	687¢

Market Indicator	Changes From			
	Four Sales Ago Week 11	Start of the Season	Week 15 Last Year	Season Average to Week 15 Last Year
Eastern Market Indicator	+132 (+14.8%)	-103 (-9.2%)	-521 (-33.8%)	-565 (-36.4%)
Western Market Indicator	+132 (+14.3%)	-140 (-11.7%)	-599 (-36.2%)	-609 (-36.9%)

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 ¢	+43	+35	+30	+30	+38	+40	+32	+25	+21			
Change %	+2.6%	+2.2%	+2.0%	+2.2%	+3.0%	+3.5%	+3.0%	+2.4%	+2.1%			
Since Start of the Season												
Change ¢	-2	-3	-18	-17	-48	-91	-140	-175	-192			
Change %	-0.1%	-0.2%	-1.2%	-1.2%	-3.6%	-7.1%	-11.2%	-14.2%	-15.8%			
Since Same Week Last Year												
Change ¢	-245	-285	-366	-460	-524	-599	-660	-689	-712	-718		
Change %	-12.5%	-15.0%	-19.5%	-24.7%	-28.9%	-33.5%	-37.3%	-39.4%	-41.0%	-41.3%		

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 ¢			+15	+17	+30	+9
Change %			+2.2%	+3.6%	+7.5%	+1.2%
Since Start of the Season						
Change ¢			-144	-83	-38	-20
Change %			-17.2%	-14.6%	-8.2%	-7.5%
Since Same Week Last Year						
Change ¢			-497	-468	-294	-228
Change %			-41.7%	-49.2%	-40.7%	-47.9%

MC Average Merino Cardings Price Guide

## AWIS WOOL MARKET REVIEW

Week Ending 9 October 2020 (Week 15)

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.

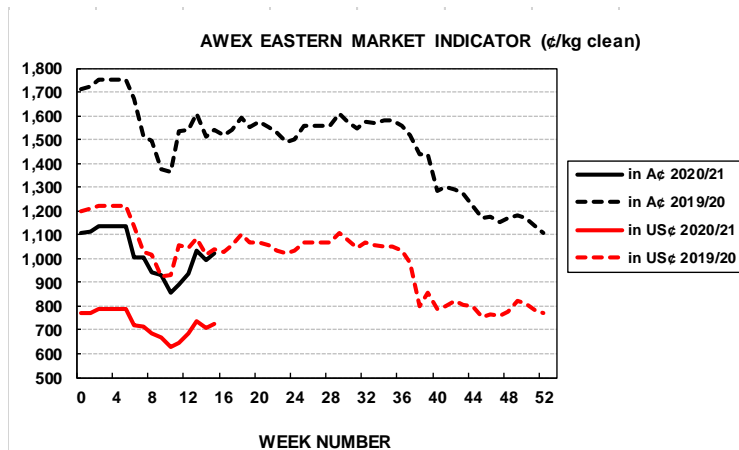
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re- Offered	Bales Sold
North	7,903	7,365	3.9%	9.0%	4.9%	7,079
South	16,074	15,508	6.0%	10.5%	3.7%	14,583
West	5,325	5,473	5.0%	16.4%	9.5%	5,200
<b>Australia</b>	<b>29,302</b>	<b>28,346</b>	<b>5.2%</b>	<b>11.3%</b>	<b>5.1%</b>	<b>26,862</b>

Progressive Changes from Last Year		
All Bales		1 <sup>st</sup> Time Bales
Bales	%	%
-8,617	-7.8%	-6.7%
+5,535	+3.2%	+3.8%
-5,886	-8.6%	-6.6%
<b>-8,968</b>	<b>-2.5%</b>	<b>-1.4%</b>

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 16	Week 17	Week 18	Differences
North	7,971	7,243	8,169	-2.8%
South	16,828	17,647	20,065	+6.8%
West	5,669	6,230	6,230	-19.8%
New Zealand	1,350	2,000	2,000	
<b>Australia</b>	<b>30,468</b>	<b>31,120</b>	<b>34,464</b>	<b>96,052</b>
<b>Differences</b>	<b>-13.8%</b>	<b>+15.1%</b>	<b>-2.4%</b>	<b>-1.7%</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	71.08	+0.31	Public	+0.52	-0.67	Public	+0.16 (+0.2%)	71.24	69.24	73.60
Euro	60.58	+0.32	Holiday	+0.10	-0.29	Holiday	+0.13 (+0.2%)	60.71	60.58	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	989
Last Year	1448
2018/19	1939
2017/18	1739
2016/17	1408

SEASON AVERAGES		
Region	This Year	Diff
North	1040	-442
South	957	-469
West	1041	-513

THIS YEAR'S EMI	
This Week	1022
First Week	1116
Low (11/01)	858
High (12/01)	1134

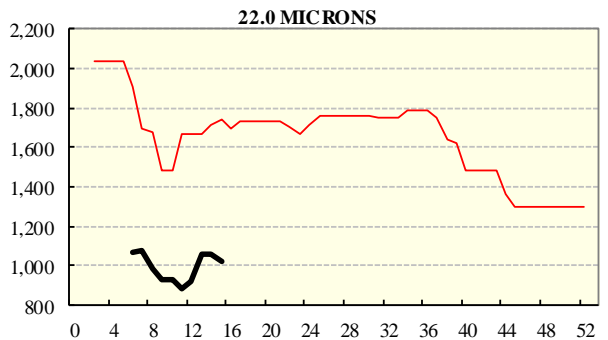
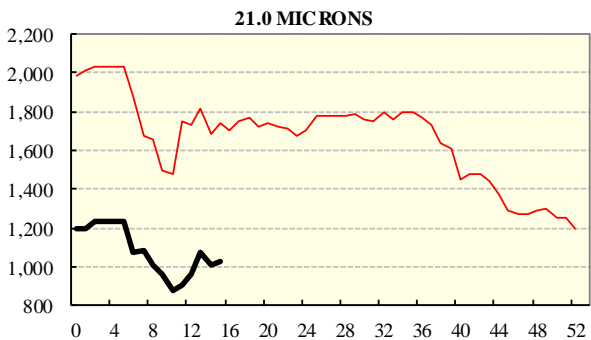
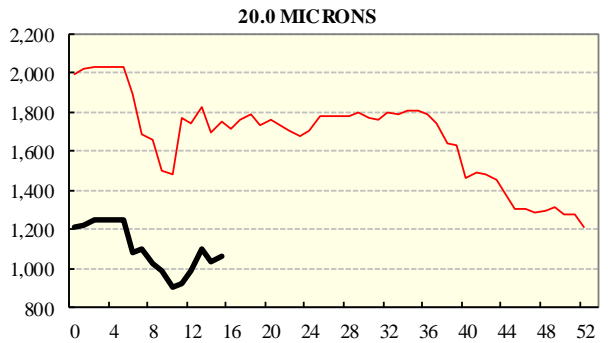
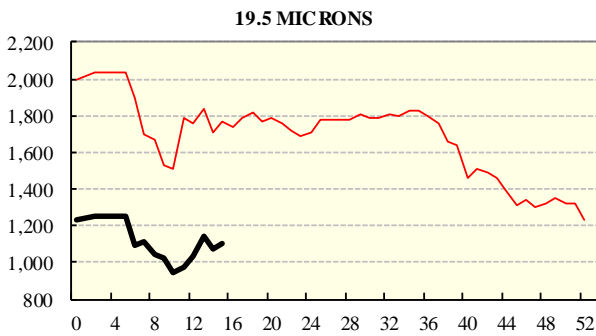
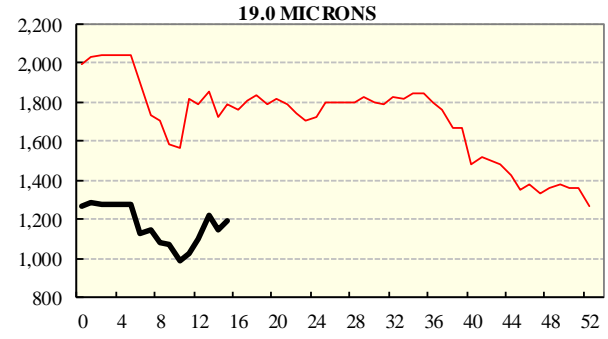
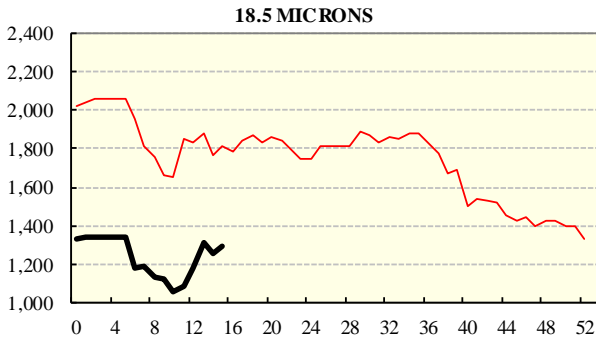
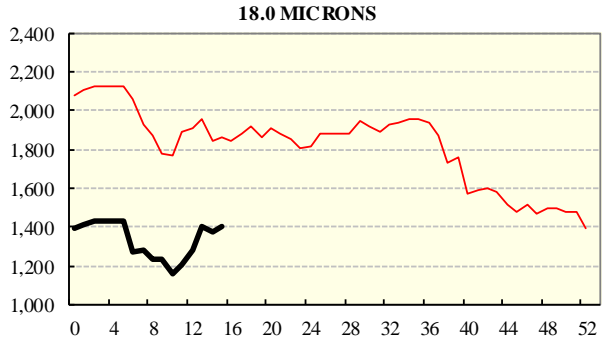
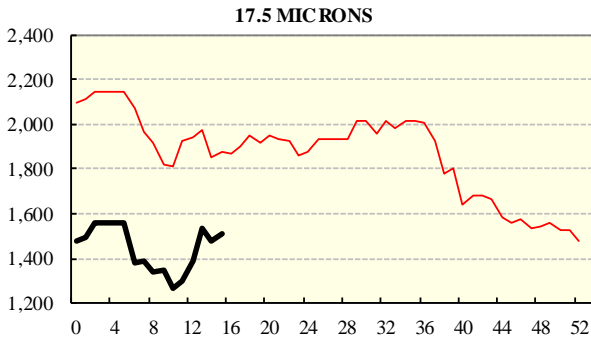
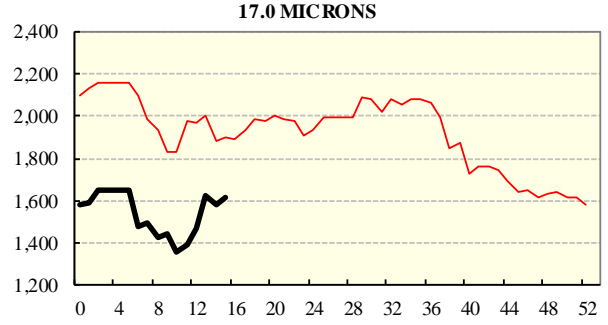
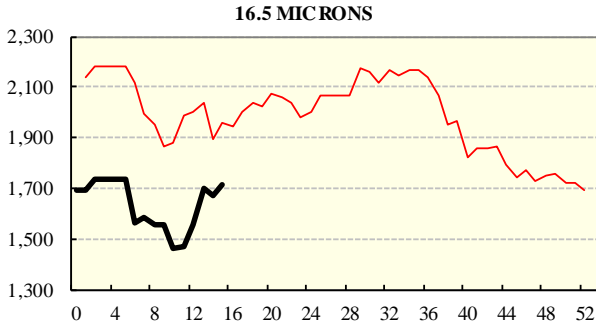
COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1076	-91
South	987	-111
West	1054	-140

BALES OFFERED	
This Year	344,920
Last Year	353,888
Difference	-8,968
% Diff	-2.5%
FIRST OFFERED BALES	
Difference	-1.4%
% of Offering	90%

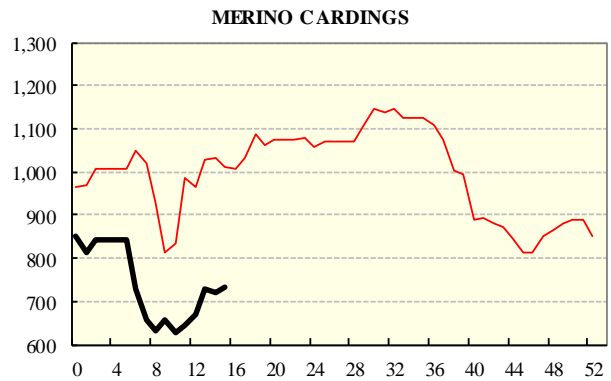
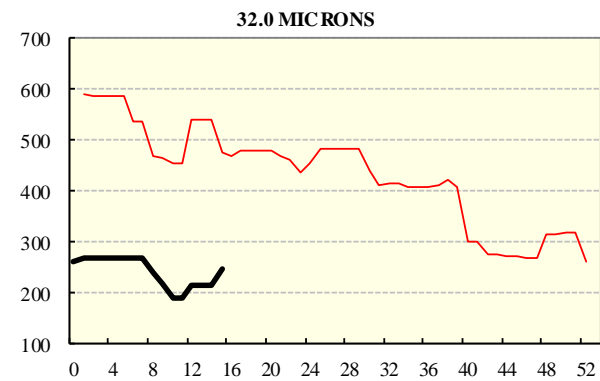
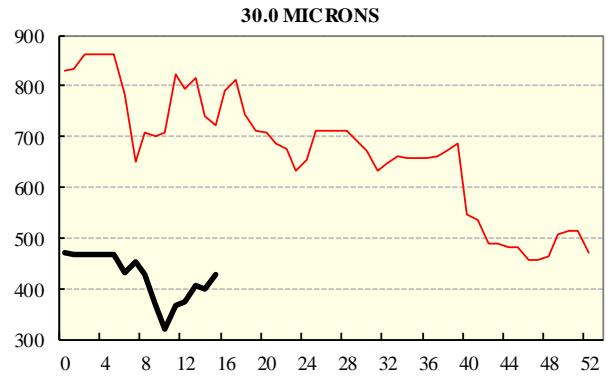
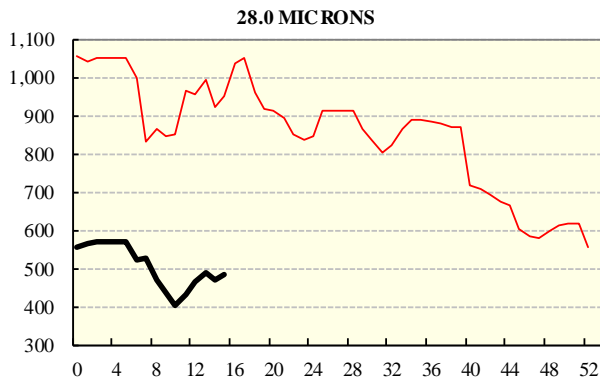
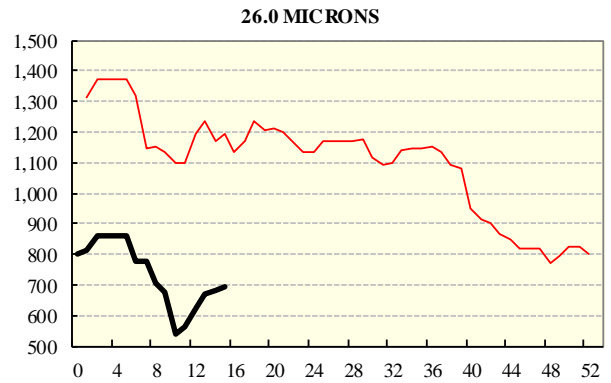
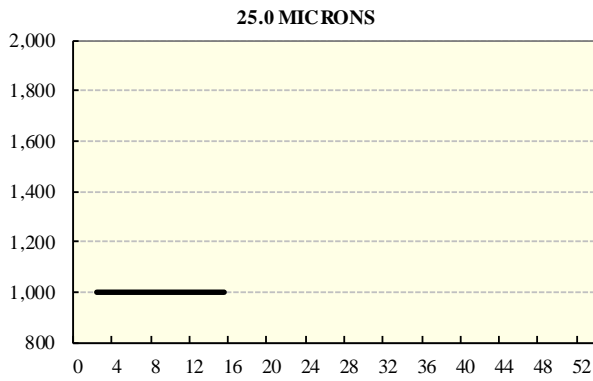
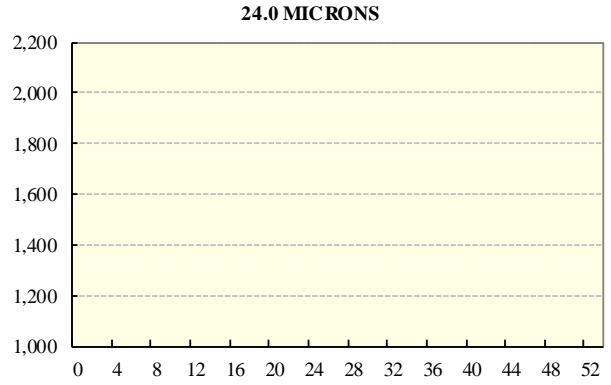
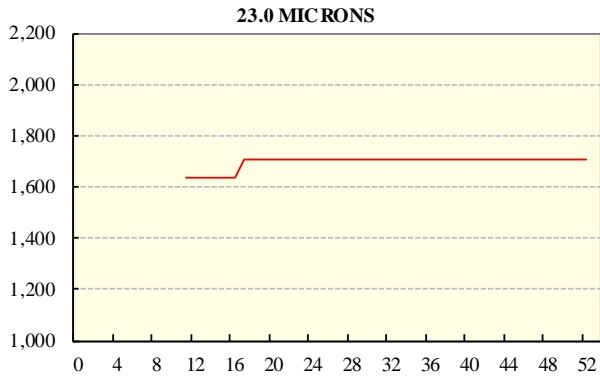
REGION BALES		
This Sale:		
North	7,365	
South	15,508	
West	5,473	
Progressive Totals:		Diff
North	102,396	-7.8%
South	180,352	+3.2%
West	62,172	-8.6%

## 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)

