

# AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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## AWIS WOOL MARKET REVIEW

Week Ending 24 September 2021 (Week 12)

The AWEX EMI finished 16¢ higher (+1.2%) in Australian currency and 2¢ higher (+0.2%) in US currency at sales in Sydney, Melbourne and Fremantle in Week 12.

34,031 bales were on offer nationally, compared with 32,825 bales last sale. 9.0% of the offering was passed in after 3.7% of the potential offering was withdrawn prior to sale. 30,984 bales were sold.

AWEX reports that the value of the wool sold was \$52.3 million (\$1,686 per bale), taking the season total to \$447.4 million (\$1,568 per bale). The number of bales sold at auction this season is now 24.9% greater than in 2020/21.

The New Zealand Merino Company also offered 1,718 bales in Melbourne on Wednesday, of which 16.6% were passed in.

| Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 12) |           |           |                              |           |          |                     |                   |                      |        |
|---|-----------|-----------|------------------------------|-----------|----------|---------------------|-------------------|----------------------|--------|
| Centre  | Last Sale |           | Day-to-Day Changes (Week 12) |           |          | Sale-to-Sale Change | Closing Indicator | Sale-to-Sale Changes |        |
|   | Week      | Indicator | Tuesday                      | Wednesday | Thursday |                     |                   | US ¢                 | Euro ¢ |
| Eastern   | 11        | 1352      | +17                          | -1        | No Sale  | +16 (+1.2%)         | 1368              | +2                   | +7     |
| Northern  | 11        | 1441      | +14                          | -1        | No Sale  | +13 (+0.9%)         | 1454              | -1                   | +5     |
| Southern  | 11        | 1294      | +18                          | -1        | No Sale  | +17 (+1.3%)         | 1311              | +2                   | +8     |
| Western   | 11        | 1392      | +7                           | -2        | No Sale  | +5 (+0.4%)          | 1397              | -6                   | +1     |

The market got away to a good start on Tuesday following last week's firm close and good follow-up inquiry from overseas clients since then. The market steadied on Wednesday, with the EMI moving down by 1¢. This resulted in overall gains of 1.5% to 2% for most Merino wools. Crossbreds eased by 1.5%, or less

The US Exchange Rate finished 0.73¢ (-1.0%) lower to close at 72.50¢ on Wednesday. It has fallen by 1.34¢ (-1.8%) over the last two sales

In the usual pattern, buyers for China were dominant. However, there was also good support from buyers for Europe and India.

Looking ahead, offerings for the coming three sales are expected to range from 37,434 bales to 40,920 bales and to be 44.1% more than in the same period last year. The forecast progressive difference to Week 15 is +33.1%.

In other countries, the South African Cape Wools Indicator was down by 2.8% since last week against a 0.8% depreciation of the Rand against the US Dollar and a 1.0% 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                    | 631¢          | 849¢          | 1086¢         | 1264¢         | 1435¢         |

| Market Indicators        | Week 12 | Changes From           |                     |                   |                                     |
|--------------------------|---------|------------------------|---------------------|-------------------|-------------------------------------|
|                          |         | Four Sales Ago Week 08 | Start of the Season | Week 12 Last Year | Season Average to Week 12 Last Year |
| Eastern Market Indicator | 1368    | +18 (+1.3%)            | -56 (-3.9%)         | +431 (+46.0%)     | +389 (+39.7%)                       |
| Western Market Indicator | 1397    | No Sale                | -55 (-3.8%)         | +413 (+42.0%)     | +363 (+35.0%)                       |

| 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    | +43    | +48    | +13    | +33    | +13    | +22    | +18    | +11    |        |      |      |
| Change %   | +1.6%  | +1.8%  | +2.1%  | +0.6%  | +1.8%  | +0.8%  | +1.5%  | +1.3%  | +0.9%  |        |      |      |
| Since Start of the Season  |        |        |        |        |        |        |        |        |        |        |      |      |
| Change ¢   | -75    | -51    | -42    | -58    | -72    | -85    | -72    | -81    | -63    | -12    |      |      |
| Change %   | -2.7%  | -2.0%  | -1.8%  | -2.7%  | -3.7%  | -4.8%  | -4.5%  | -5.6%  | -4.7%  | -1.0%  |      |      |
| Since Week 12 Last Year  |        |        |        |        |        |        |        |        |        |        |      |      |
| Change ¢   | +1116  | +1010  | +900   | +787   | +691   | +581   | +497   | +371   | +315   | +321   |      |      |
| Change %   | +71.7% | +68.9% | +64.8% | +61.4% | +58.4% | +53.0% | +48.2% | +37.5% | +32.9% | +34.8% |      |      |

| 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 ¢  |      | -3     | -7     | -3     | -3     | +12    |
| Change %  |      | -0.4%  | -1.5%  | -0.8%  | -1.2%  | +1.3%  |
| Since Start of the Season                               |      |        |        |        |        |        |
| Change ¢  |      | -38    | -50    | -51    | -13    | -60    |
| Change %  |      | -4.7%  | -10.1% | -12.5% | -4.9%  | -6.2%  |
| Since Week 12 Last Year                                 |      |        |        |        |        |        |
| Change ¢  |      | +148   | -21    | -18    | +36    | +238   |
| Change %  |      | +23.7% | -4.5%  | -4.8%  | +16.7% | +35.6% |

MC Average Merino Cardings Price Guide

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For further information

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## AWIS WOOL MARKET REVIEW

Week Ending 24 September 2021 (Week 12)

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 July ABS export data.

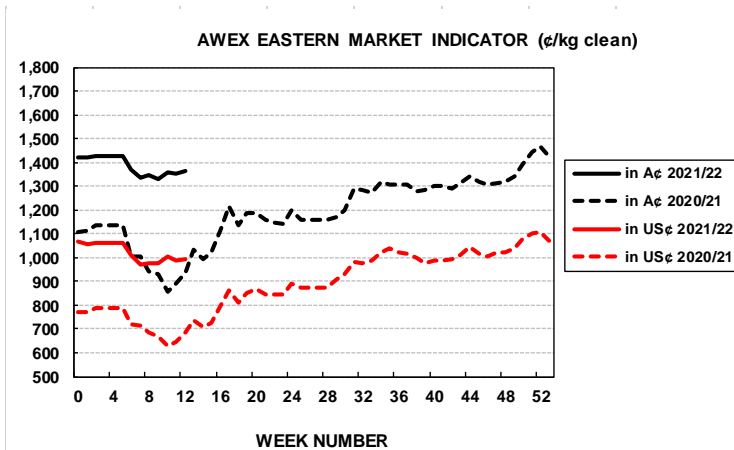
| Details of this Week's Offering and the Comparison with the Previous Sale's Offering |           |           |           |                       |             |            |
|--|-----------|-----------|-----------|-----------------------|-------------|------------|
| Centre   | Last Sale | This Sale |           |                       |             |            |
|  | Offering  | Offering  | Passed-In | Withdrawn Before Sale | Re- Offered | Bales Sold |
| North  | 9,989     | 11,112    | 10.2%     | 3.2%                  | 7.9%        | 9,977      |
| South  | 17,417    | 18,304    | 8.2%      | 3.0%                  | 9.4%        | 16,800     |
| West   | 5,419     | 4,615     | 8.8%      | 7.3%                  | 5.0%        | 4,207      |
| Australia  | 32,825    | 34,031    | 9.0%      | 3.7%                  | 8.3%        | 30,984     |

| Progressive Changes from Last Year |               |                            |
|------------------------------------|---------------|----------------------------|
| All Bales                          |               | 1 <sup>st</sup> Time Bales |
| Bales                              | %             | %                          |
| +36,330                            | +45.2%        | +43.8%                     |
| +33,186                            | +24.2%        | +26.1%                     |
| +9,135                             | +19.8%        | +22.7%                     |
| <b>+78,651</b>                     | <b>+29.8%</b> | <b>+31.1%</b>              |

| Next Sale Offerings and Year-on-Year Differences |         |         |         |             |
|--|---------|---------|---------|-------------|
| Centre   | Week 13 | Week 14 | Week 15 | Differences |
| North  | 11,412  | 11,900  | 10,150  | +52.2%      |
| South  | 19,985  | 20,820  | 19,334  | +40.0%      |
| West   | 6,820   | 8,200   | 7,950   | +47.7%      |
| New Zealand                                      | 1,500   | 1,500   | 1,500   |             |
| Australia  | 38,217  | 40,920  | 37,434  | 116,571     |
| Differences                                      | +64.3%  | +39.6%  | +32.1%  | +44.1%      |

| 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                 | 73.23     | -0.20              | -0.62 | +0.27 | -0.18 | No   | -0.73 (-1.0%)       | 72.50         | 72.45            | 74.60 |
| Euro                          | 62.03     | +0.02              | -0.25 | +0.13 | -0.09 | Sale | -0.19 (-0.3%)       | 61.84         | 61.70            | 63.27 |

| Country                     | % Share of Australia's Wool Exports by Weight of Wool Shipped |                      |                      | Year-on-Year % Change July to July |                |
|-----------------------------|---|----------------------|----------------------|------------------------------------|----------------|
|                             | July 2021   | July to July 2021/22 | July to July 2020/21 | By Weight                          | By Value       |
| China                       | 86.6%   | 86.6%                | 88.0%                | +81.5%                             | +135.3%        |
| India                       | 4.1%  | 4.1%                 | 3.2%                 | +136.9%                            | +186.3%        |
| Czech Republic              | 3.5%  | 3.5%                 | 3.0%                 | +113.5%                            | +74.4%         |
| Italy                       | 1.7%  | 1.7%                 | 1.9%                 | +61.7%                             | +109.1%        |
| Korea                       | 1.5%  | 1.5%                 | 1.5%                 | +81.0%                             | +65.8%         |
| Thailand                    | 0.5%  | 0.5%                 | 0.8%                 | +30.2%                             | +95.1%         |
| United Arab Emirates        | 0.5%  | 0.5%                 | 0.1%                 | +635.0%                            | +453.5%        |
| Egypt                       | 0.5%  | 0.5%                 | 0.4%                 | +97.8%                             | +136.9%        |
| <b>Change all Countries</b> |   |                      |                      | <b>+83.6%</b>                      | <b>+132.3%</b> |



| AVERAGE EMI |      |
|-------------|------|
| This Year   | 1369 |
| Last Year   | 1199 |
| 2019/20     | 1448 |
| 2018/19     | 1939 |
| 2017/18     | 1739 |

| SEASON AVERAGES |           |      |
|-----------------|-----------|------|
| Region          | This Year | Diff |
| North           | 1457      | +192 |
| South           | 1312      | +156 |
| West            | 1399      | +164 |

| THIS YEAR'S EMI |      |
|-----------------|------|
| This Week       | 1368 |
| First Week      | 1420 |
| Low (9/01)      | 1332 |
| High (11/01)    | 1428 |

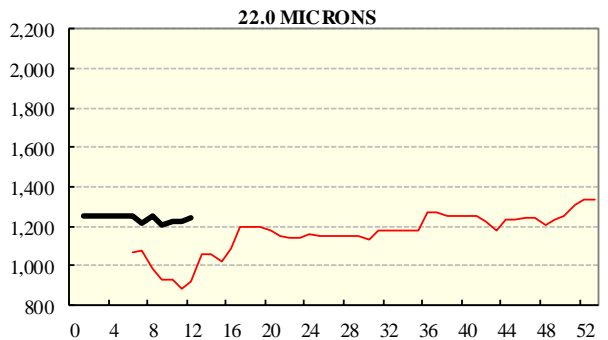
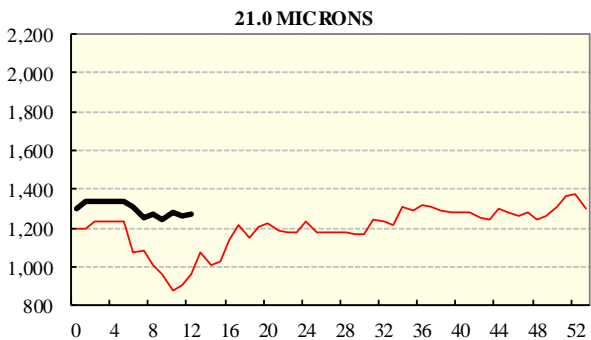
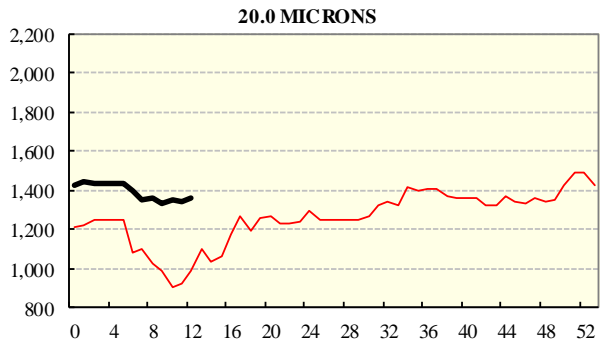
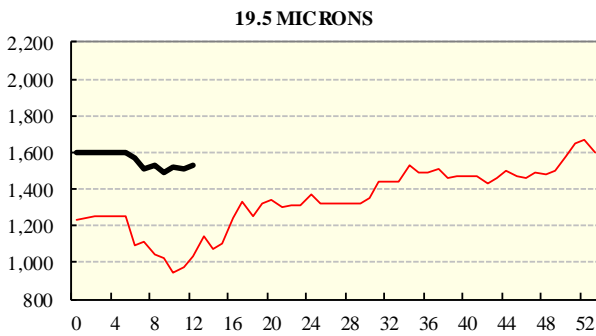
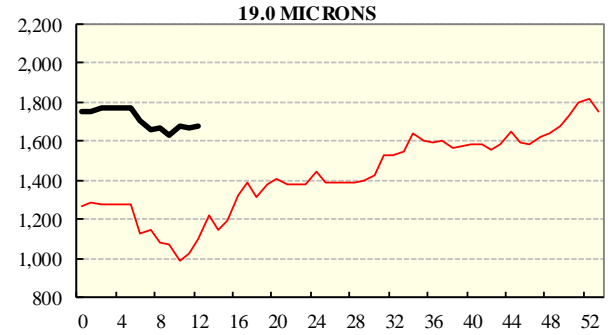
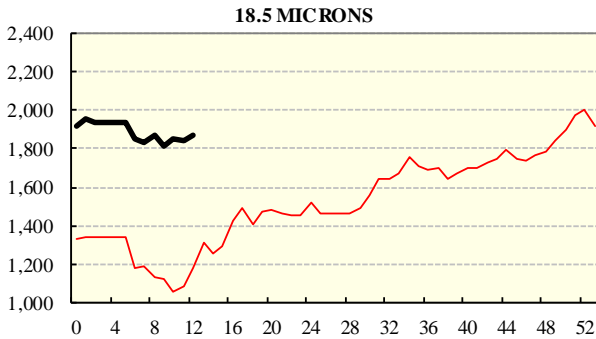
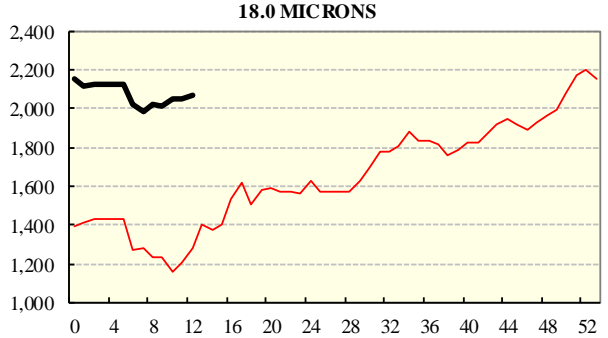
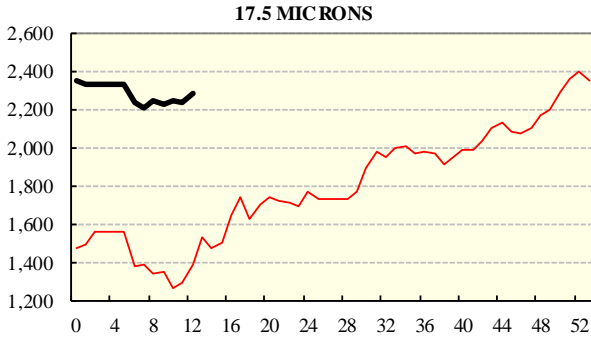
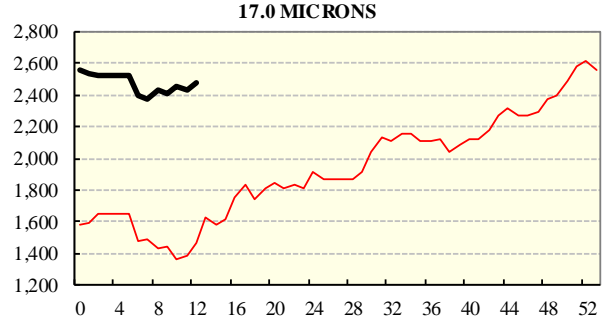
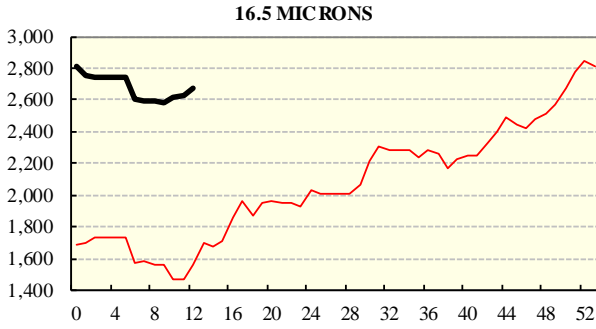
| COMPARED WITH WKS 1/2 |           |      |
|-----------------------|-----------|------|
| Region                | This Week | Diff |
| North                 | 1454      | -62  |
| South                 | 1311      | -55  |
| West                  | 1397      | -55  |

| BALES OFFERED       |         |
|---------------------|---------|
| This Year           | 342,663 |
| Last Year           | 264,012 |
| Difference          | +78,651 |
| % Diff              | +29.8%  |
| FIRST OFFERED BALES |         |
| Difference          | +31.1%  |
| % of Offering       | 89.8%   |

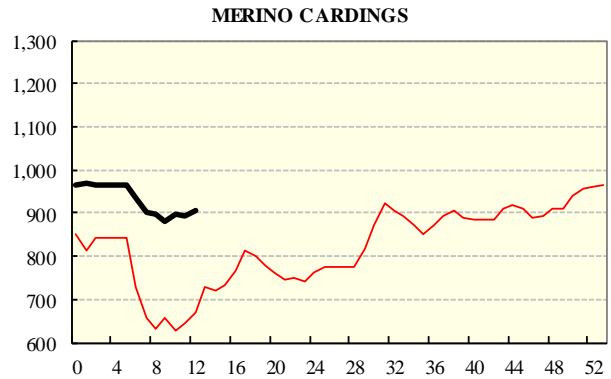
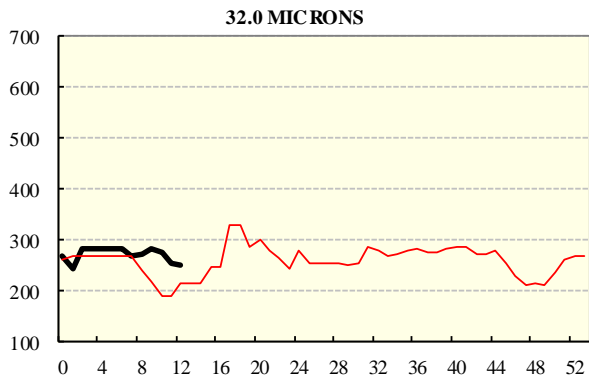
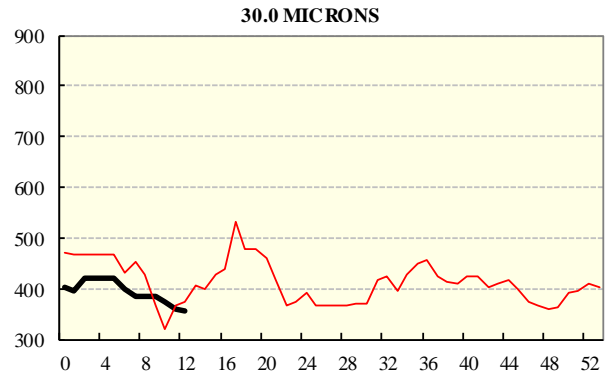
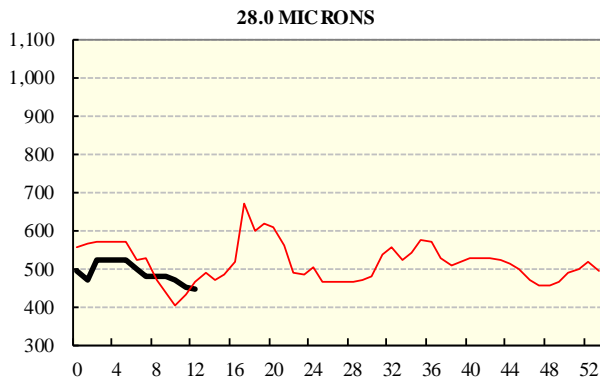
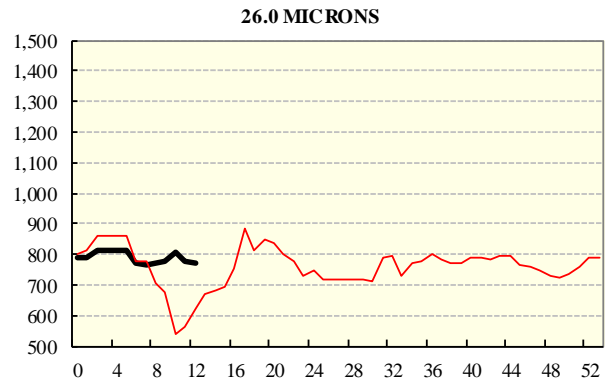
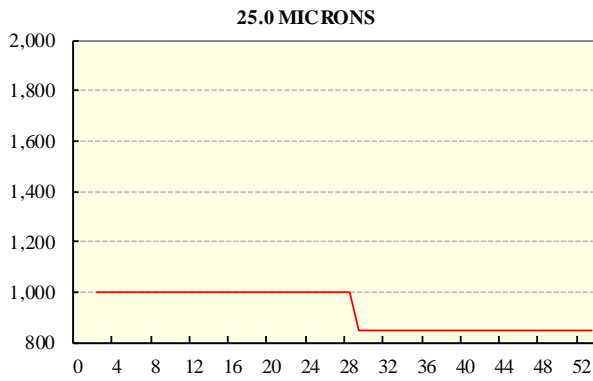
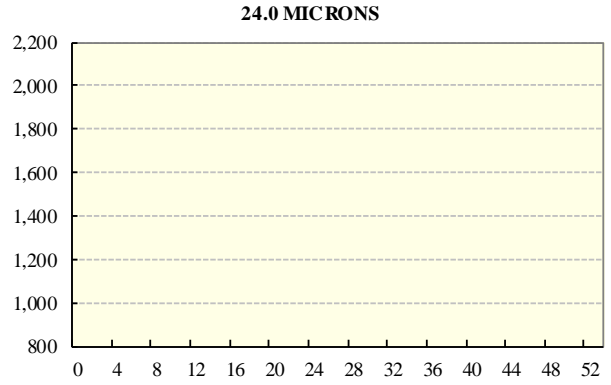
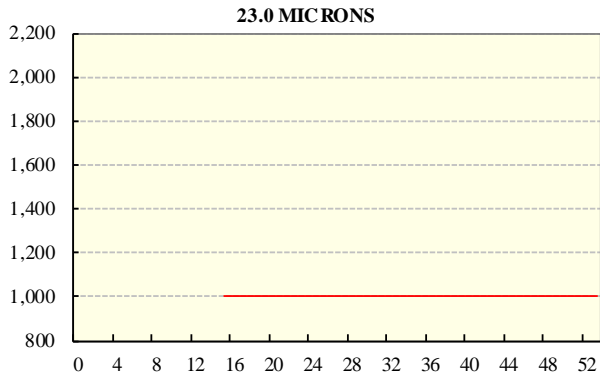
| REGION BALES        |         |        |
|---------------------|---------|--------|
| This Sale:          |         |        |
| North               | 11,112  |        |
| South               | 18,304  |        |
| West                | 4,615   |        |
| Progressive Totals: |         | Diff   |
| North               | 116,738 | +45.2% |
| South               | 170,572 | +24.2% |
| West                | 55,353  | +19.8% |

## AVERAGE AWEX MICRON PRICE GUIDES

2021/22 ( black graph line) and 2020/21 (red graph line)



**AVERAGE AWEX MICRON PRICE GUIDES**  
2021/22 ( black graph line) and 2020/21 (red graph line)



### EASTERN MARKET INDICATOR (EMI) SINCE 1999/00 (¢/kg clean)

(In Australian, United States and European Currencies)

