## **AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC**

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**AWIS WOOL MARKET REVIEW**

### Week Ending 30 March 2018 (Week 39)

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| The AWEX EMI finished at 1772¢, 6¢ lower (-0.3%) in Australian currency and 14¢ lower (-1.0%) in US currency at sales in Sydney, Melbourne and Fremantle this week.44,841 bales were on offer nationally, compared with 38,219 bales last sale. 7.8% of the offering was passed in, including a 22.6% Pass-In Rate across all types in Fremantle on Tuesday and an overall Pass-In Rate of 10.5% for Merino Fleece where the market eased across all Merino micron ranges other than 23 microns. This repeats what we have seen so often in the past, that a change in the Pass-In Rate is affected more by the direction of the market than by the level of the market.AWEX reports that the value of the wool sold was $80.4 million ($1,945 per bale), taking the season total to $2.6 billion.

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| Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 39) |
| Centre | Last Sale | Day-to-Day Changes (Week 39) | Sale-to-Sale | Closing | Sale-to-Sale Changes |
|  | Week | Indicator | **Tuesday** | **Wednesday** | **Thursday** | Change | Indicator | US ¢ | Euro ¢ |
| Eastern | 38 | 1778 | -8 | +2 | No Sale | -6 (-0.3%) | 1772 | -14 | -15 |
| Northern | 38 | 1852 | -18 | +3 | No Sale | -15 (-0.8%) | 1837 | -21 | -21 |
| Southern | 38 | 1731 | -2 | +3 | No Sale | +1 (+0.1%) | 1732 | -7 | -10 |
| Western | 38 | 1869 | -7 | +9 | No Sale | +2 (+0.1%) | 1871 | -7 | -11 |

The market remains at very good level, but was again influenced by changes in US Exchange Rate. All Regional Indicators fell in Australian currency on Tuesday, but moved back up on Wednesday when the US Exchange Rate fell.There were also some marked differences in the movement in Merino prices between the North and the South on Tuesday that led to the differences seen in their Regional indicators on that day.Crossbreds had a better week than the Merinos; and it was another good week for Oddments. The average AWEX Merino Cardings Indicator moved up by 25¢ on top of the precious week’s lift of 24¢.The US Exchange Rate remained steady until Wednesday, when it fell by 0.44¢ to finish 0.50¢ (-0.6%) lower and close at 76.94¢.Buyers for China were dominant, with support from buyers for Europe and India.Looking ahead, the first sale after the Easter break is currently expected to include 48,800 bales before dropping back to 43,000 bales in the following week.

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| 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 | 285¢ | 441¢ | 661¢ | 873¢ | No 16.5µ MPG |

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| Market Indicator | Changes From |
|  | Four Sales AgoWeek 35 | Start ofthe Season | Week 39Last Year | Season Average toWeek 39 Last Year |
| Eastern Market Indicator | -58 (-3.2%) | +249 (+16.3%) | +270 (+18.0%) | +293 (+21.3%) |
| Western Market Indicator | -34 (-1.8%) | +305 (+19.5%) | +383 (+25.7%) | +299 (+20.9%) |

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| 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 ¢ | -20 | -10 | -21 | -14 | -24 | -22 | -17 | -27 | -7 | +4 | +12 |  |
| Change % | -0.7% | -0.4% | -0.8% | -0.6% | -1.1% | -1.1% | -0.9% | -1.4% | -0.4% | +0.2% | +0.7% |  |
| Since Start of the Season |  |  |  |  |  |  |  |  |  |  |
| Change ¢ | +762 | +563 | +370 | +204 | +159 | +205 | +277 | +315 | +358 | +378 | +371 |  |
| Change % | +34.7% | +25.8% | +17.2% | +9.7% | +8.1% | +11.2% | +16.3% | +19.6% | +23.4% | +25.7% | +26.0% |  |
| Since Same Week Last Year |  |  |  |  |  |  |  |  |  |  |
| Change ¢ | +569 | +446 | +305 | +147 | +91 | +152 | +268 | +379 | +474 | +519 | +453 |  |
| Change % | +23.8% | +19.4% | +13.8% | +6.8% | +4.5% | +8.1% | +15.7% | +24.5% | +33.5% | +39.1% | +33.7% |  |

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| 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 ¢ | +4 | +13 | +24 | +20 | +4 | +25 |
| Change % | +0.3% | +1.1% | +2.9% | +3.4% | +1.0% | +1.9% |
| Since Start of the Season |  |  |  |  |
| Change ¢ | +138 | +84 | +98 | +53 | +34 | +166 |
| Change % | +11.6% | +7.6% | +12.8% | +9.5% | +8.9% | +14.3% |
| Since Same Week Last Year |  |  |  |  |
| Change ¢ | +209 | +179 | +135 | +35 | -4 | +105 |
| Change % | +18.7% | +17.7% | +18.5% | +6.1% | -1.0% | +8.6% |
| # Average Merino Cardings Price Guide |

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**AWIS WOOL MARKET REVIEW**

### Week Ending 30 March 2018 (Week 39)

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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 January ABS export data.

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| **Details of this Week’s Offering and the Comparison with the Previous Sale’s Offering** |  | **Actual and % Changes in the Progressive Offerings fromLast Year** |
| **Centre** | ***Last Sale*** | **This Sale** |  |
|  | ***Offering*** | **Offering** | **Passed-In** | **WithdrawnBefore Sale** | **Re-Offered** | **Bales Sold** |  |
| **North** | *7,660* | 13,764 | 4.6% | 1.3% | 3.1% | 13,135 |  | +4,993 | +1.2% |
| **South** | *21,577* | 21,476 | 6.9% | 2.2% | 6.6% | 19,998 |  | +51,582 | +7.2% |
| **West** | *8,982* | 9,601 | 14.6% | 3.0% | 8.3% | 8,201 |  | -22,693 | -7.3% |
| **Australia** | ***38,219*** | **44,841** | **7.8%** | **2.1%** | **5.9%** | **41,334** |  | **+33,882** | **+2.4%** |

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| **Next Sale Offerings and Year-on-Year Differences** |
| **Centre** | **Week 40** | **Week 41** | **Week 42** | **Differences** |
| **North** | No Sale | 13,432 | 11,650 | **-38.9%** |
| **South** | No Sale | 25,195 | 23,000 | **-45.8%** |
| **West** | No Sale | 10,182 | 8,450 | **-50.7%** |
| **New Zealand** |  |  |  |  |
| **Australia** |  | **48,809** | **43,100** | **+13.4%** |
| **Differences** |  | **+13.4%** |  |  |

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| **Exchange Rates** | **Last**  | **Day-to-Day Changes** | **Sale-to-Sale** | **Closing** | **Season Min & Max** |
| **(Reserve Bank)** | **Sale** | **Fri** | **Mon** | **Tues** | **Wed** | **Thur** | **Change** | **Value** | **Min** | **Max** |
| **United States** | 77.44 | -0.33 | +0.12 | +0.15 | -0.44 | Public | -0.50 (-0.6%) | 76.94 | 75.45 | 80.44 |
| **Euro** | 62.65 | -0.13 | -0.11 | -0.26 | -0.15 | Holiday | -0.65 (-1.0%) | 62.00 | 62.00 | 67.39 |

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| **Country** | **% Share of Australia’s Wool Exports by Weight of Wool Shipped** | **Year-on-Year % Change** |
|  | **January2018** | **July to January2017/18** | **July to January2016/19** | **July to January** |
| **By Weight** | **By Value** |
| China | 81.4% | 78.4% | 79.0% | +5.6% | +20.8% |
| India | 5.5% | 5.3% | 6.2% | -8.5% | +4.3% |
| Italy | 3.1% | 4.7% | 4.7% | +4.4% | +42.2% |
| Czech Republic | 5.2% | 5.9% | 5.0% | +19.9% | +20.2% |
| Malaysia | 2.1% | 1.6% | 1.0% | +72.4% | +116.9% |
| Korea | 1.3% | 1.4% | 1.7% | -4.9% | -8.0% |
| Taiwan | 0.2% | 0.6% | 0.7% | -2.6% | -13.7% |
| Egypt | 0.7% | 1.0% | 1.0% | +5.3% | +38.7% |
| **Change all Countries** |  |  |  | **+10.6%** | **+20.9%** |
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