

# AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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## AWIS WOOL MARKET REVIEW

Week Ending 2 December 2022 (Week 22)

The AWEX EMI finished at 1224¢, 32¢ lower (-2.5%) in Australian currency and 14¢ lower (-1.7%) in US currency at sales in Sydney, Melbourne and Fremantle in Week 22.

37,347 bales were on offer nationally, compared with 31,822 bales last sale. 17.2% of the offering was passed in after 3.3% of the potential offering was withdrawn prior to sale. 30,919 bales were sold.

AWEX reports that the value of the wool sold was \$46.0 million (\$1,488 per bale), taking the season total to \$983.0 million (\$1,588 per bale). The number of bales sold at auction this season is now 0.2% greater than in 2021/22.

| Centre   | Last Sale |           | Day-to-Day Changes (Week 22) |           |          | Sale-to-Sale Change | Closing Indicator | Sale-to-Sale Changes |        |
|----------|-----------|-----------|------------------------------|-----------|----------|---------------------|-------------------|----------------------|--------|
|          | Week      | Indicator | Tuesday                      | Wednesday | Thursday |                     |                   | US ¢                 | Euro ¢ |
| Eastern  | 21        | 1256      | -17                          | -15       | No Sale  | -32 (-2.5%)         | 1224              | -14                  | -16    |
| Northern | 21        | 1336      | -11                          | -15       | No Sale  | -26 (-1.9%)         | 1310              | -10                  | -13    |
| Southern | 21        | 1202      | -20                          | -16       | No Sale  | -36 (-3.0%)         | 1166              | -17                  | -19    |
| Western  | 21        | 1408      | -18                          | -20       | No Sale  | -38 (-2.7%)         | 1370              | -17                  | -20    |

Last week's gains were not sustained when prices fell across almost all types and Fibre Diameters, of which the least falls were at the fine end of the Merino market. There was strong seller resistance to the falls, with sellers passing-in 17.2% of the offering (including 28.9% in Fremantle).

The US Exchange Rate finished 0.59¢ (0.9%) higher to close at 66.98¢ on Wednesday.

Buyers for China were dominant, with support from buyers for Europe and India.

Looking ahead, there are only two more sales prior to Christmas. They are currently expected to be 44,775 bales and 43,769 bales; and to be 12.1% more than in the same two weeks last year. If so, they will be the largest sales since the first sale after the mid-year break.

The forecast progressive difference to Week 24 is now -0.1%.

In other countries, South African prices eased by 6.1% for non-RWS wools and by 4.4% for RWS wools since the previous week. Sales are now in recess and will resume on the 11<sup>th</sup> January.

| 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                    | 414¢          | 512¢          | 703¢          | 840¢          | 937¢          |

| Market Indicators        | Week 22 | Changes From              |                        |                      |  |
|--------------------------|---------|---------------------------|------------------------|----------------------|--|
|                          |         | Four Sales Ago<br>Week 18 | Start of<br>the Season | Week 22<br>Last Year | Season Average to<br>Week 22 Last Year |
| Eastern Market Indicator | 1224    | -37 (-2.9%)               | -174 (-12.4%)          | -122 (-9.1%)         | -115 (-8.5%)                           |
| Western Market Indicator | 1370    | -24 (-1.7%)               | -110 (-7.4%)           | -35 (-2.5%)          | +33 (+2.4%)                            |

| 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 ¢                  | -3     | -15    | -48    | -46    | -51    | -42   | -38   | -36   | -35   | -33    |      |      |
| Change %                  | -0.1%  | -0.7%  | -2.4%  | -2.6%  | -3.0%  | -2.7% | -2.5% | -2.5% | -2.6% | -2.6%  |      |      |
| Since Start of the Season |        |        |        |        |        |       |       |       |       |        |      |      |
| Change ¢                  | -719   | -590   | -475   | -372   | -243   | -162  | -107  | -76   | -102  | -139   |      |      |
| Change %                  | -24.5% | -21.9% | -19.6% | -17.5% | -13.0% | -9.6% | -6.9% | -5.2% | -7.3% | -10.2% |      |      |
| Since Week 22 Last Year   |        |        |        |        |        |       |       |       |       |        |      |      |
| Change ¢                  | -362   | -309   | -270   | -263   | -198   | -119  | -41   | +19   | -15   | -91    |      |      |
| Change %                  | -14.0% | -12.8% | -12.1% | -13.0% | -10.8% | -7.2% | -2.7% | +1.4% | -1.1% | -6.9%  |      |      |

| Micron                    | 25.0 | 26.0 | 28.0   | 30.0   | 32.0   | MC    |
|---------------------------|------|------|--------|--------|--------|-------|
| Since Last Sale           |      |      |        |        |        |       |
| Change ¢                  |      |      | -10    | -11    | -13    | -2    |
| Change %                  |      |      | -1.6%  | -3.3%  | -4.3%  | -0.2% |
| Since Start of the Season |      |      |        |        |        |       |
| Change ¢                  |      |      | -97    | -79    | -34    | -33   |
| Change %                  |      |      | -13.8% | -19.6% | -10.5% | -3.6% |
| Since Week 22 Last Year   |      |      |        |        |        |       |
| Change ¢                  |      |      | -128   | -80    | -43    | -4    |
| Change %                  |      |      | -17.4% | -19.8% | -12.9% | -0.5% |

MC Average Merino Cardings Price Guide

# AWIS WOOL MARKET REVIEW

Week Ending 2 December 2022 (Week 22)

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.

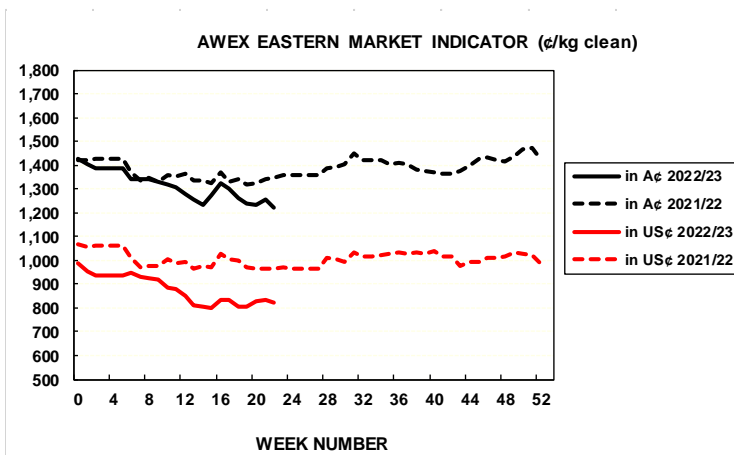
| Details of this Week's Offering and the Comparison with the Previous Sale's Offering |           |           |           |                       |            |            |
|--|-----------|-----------|-----------|-----------------------|------------|------------|
| Centre   | Last Sale | This Sale |           |                       |            |            |
|  | Offering  | Offering  | Passed-In | Withdrawn Before Sale | Re-Offered | Bales Sold |
| North  | 7,540     | 10,439    | 11.2%     | 1.2%                  | 6.0%       | 9,268      |
| South  | 17,539    | 18,890    | 15.6%     | 4.9%                  | 10.4%      | 15,949     |
| West   | 6,743     | 8,018     | 28.9%     | 2.1%                  | 13.8%      | 5,702      |
| Australia  | 31,822    | 37,347    | 17.2%     | 3.3%                  | 9.9%       | 30,919     |

| Progressive Changes from Last Year |              |                            |
|------------------------------------|--------------|----------------------------|
| All Bales                          |              | 1 <sup>st</sup> Time Bales |
| Bales                              | %            | %                          |
| -2,566                             | -1.1%        | -0.4%                      |
| -14,215                            | -3.8%        | -5.2%                      |
| +6,693                             | +5.5%        | +5.5%                      |
| <b>-10,088</b>                     | <b>-1.4%</b> | <b>-2.0%</b>               |

| Next Sale Offerings and Year-on-Year Differences |         |         |         |             |
|--|---------|---------|---------|-------------|
| Centre   | Week 23 | Week 24 | Week 25 | Differences |
| North  | 11,494  | 10,945  | No Sale | +3.7%       |
| South  | 25,689  | 24,904  | No Sale | +16.5%      |
| West   | 7,592   | 7,920   | No Sale | +11.2%      |
| New Zealand                                      | 2,000   |         |         |             |
| Australia  | 44,775  | 43,769  |         | 88,544      |
| Differences                                      | +17.5%  | +7.0%   |         | +12.1%      |

| 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                 | 66.39     | +1.36              | -0.82 | +0.13 | -0.08 | No   | +0.59 (+0.9%)       | 66.98         | 62.71            | 70.75 |
| Euro                          | 64.35     | +0.66              | -0.42 | -0.07 | +0.16 | Sale | +0.33 (+0.5%)       | 64.68         | 64.14            | 69.45 |

| Country                     | % Share of Australia's Wool Exports by Weight of Wool Shipped |                           |                           | Year-on-Year % Change July to September |              |
|-----------------------------|---|---------------------------|---------------------------|---|--------------|
|                             | September 2022  | July to September 2022/23 | July to September 2021/22 | By Weight                               | By Value     |
| China                       | 82.8%   | 83.0%                     | 84.6%                     | +6.8%                                   | +3.7%        |
| India                       | 5.5%  | 6.7%                      | 3.8%                      | +94.0%                                  | +111.7%      |
| Italy                       | 5.1%  | 4.4%                      | 3.7%                      | +30.0%                                  | +58.0%       |
| Czech Republic              | 1.6%  | 1.8%                      | 3.4%                      | -43.3%                                  | -43.9%       |
| Korea                       | 1.4%  | 1.2%                      | 1.6%                      | -17.1%                                  | -16.0%       |
| Thailand                    | 0.7%  | 0.6%                      | 0.4%                      | +58.4%                                  | +71.6%       |
| Egypt                       | 0.6%  | 0.6%                      | 1.0%                      | +18.1%                                  | +49.8%       |
| Germany                     | 0.8%  | 0.4%                      | 0.2%                      | +96.6%                                  | +70.5%       |
| <b>Change all Countries</b> |   |                           |                           | <b>+9.0%</b>                            | <b>+9.9%</b> |



| AVERAGE EMI |      |
|-------------|------|
| This Year   | 1298 |
| Last Year   | 1385 |
| 2020/21     | 1199 |
| 2019/20     | 1448 |
| 2018/19     | 1939 |

| SEASON AVERAGES |           |      |
|-----------------|-----------|------|
| Region          | This Year | Diff |
| North           | 1381      | -93  |
| South           | 1242      | -83  |
| West            | 1423      | -7   |

| THIS YEAR'S EMI |      |
|-----------------|------|
| This Week       | 1224 |
| First Week      | 1407 |
| Low (14/01)     | 1224 |
| High (9/01)     | 1407 |

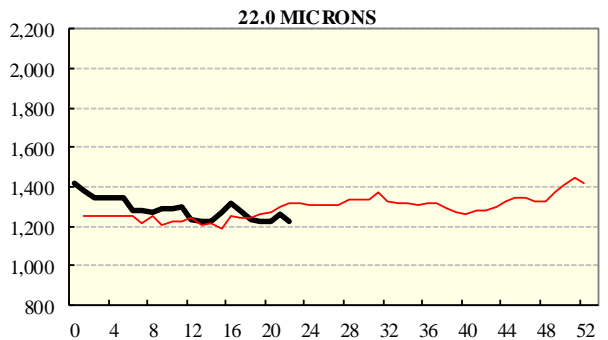
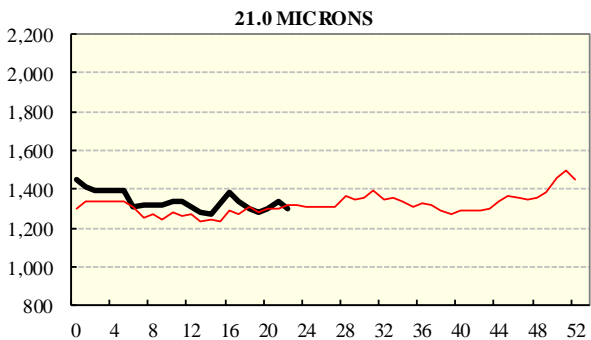
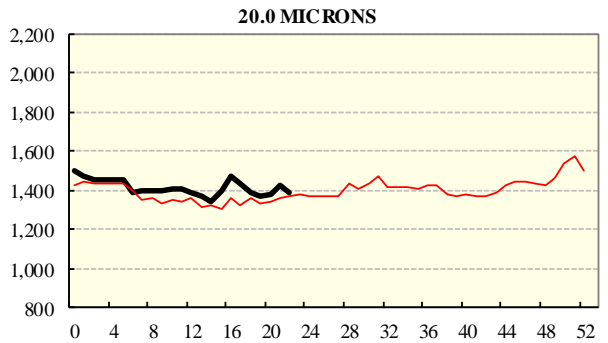
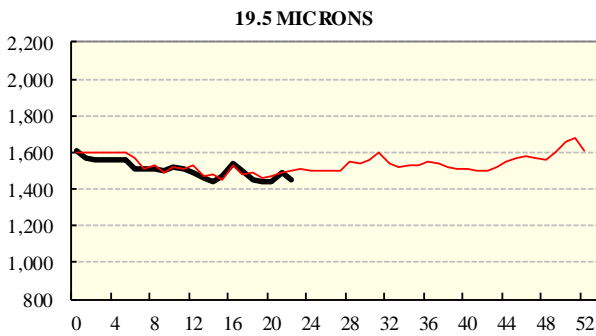
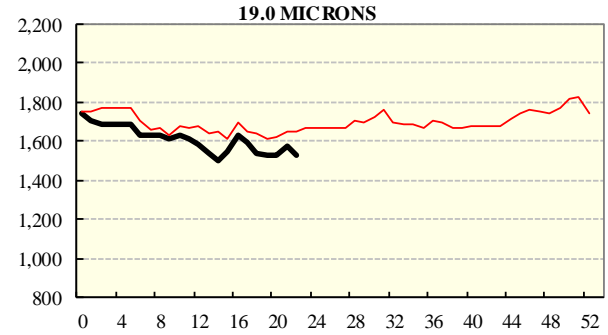
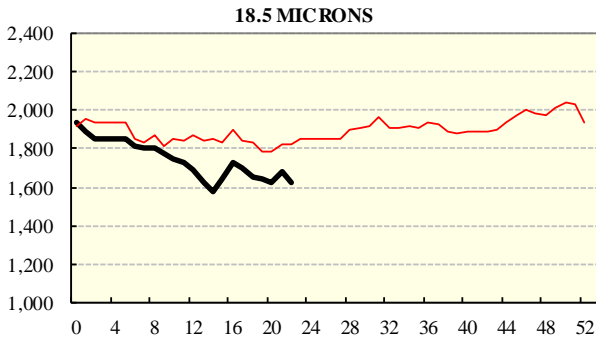
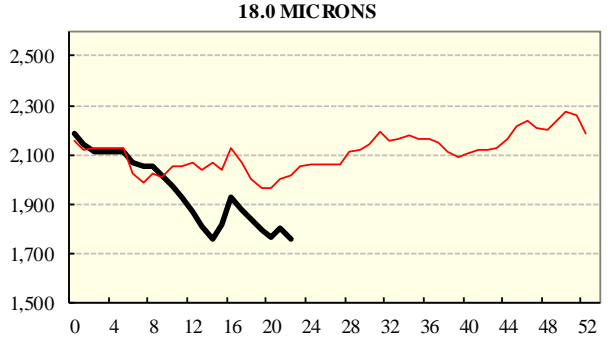
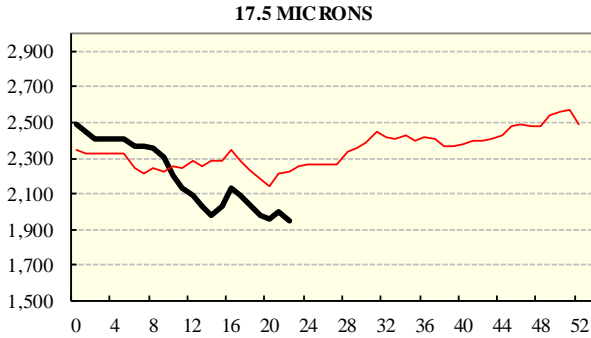
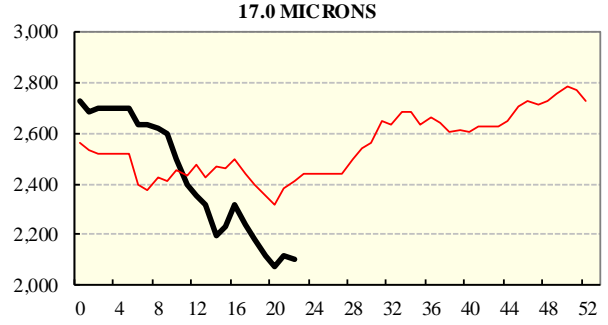
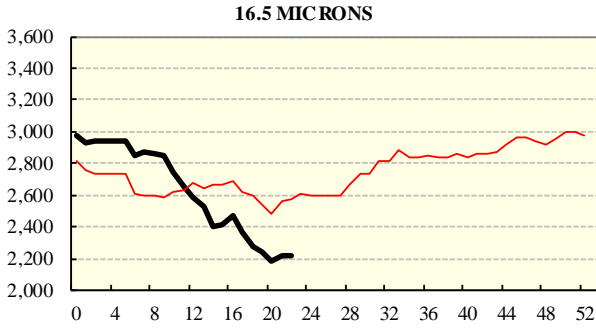
| COMPARED WITH WKS 1/2 |           |      |
|-----------------------|-----------|------|
| Region                | This Week | Diff |
| North                 | 1310      | -164 |
| South                 | 1166      | -181 |
| West                  | 1370      | -110 |

| BALES OFFERED       |         |
|---------------------|---------|
| This Year           | 715,269 |
| Last Year           | 725,357 |
| Difference          | -10,088 |
| % Diff              | -1.4%   |
| FIRST OFFERED BALES |         |
| Difference          | -2.0%   |
| % of Offering       | 90.5%   |

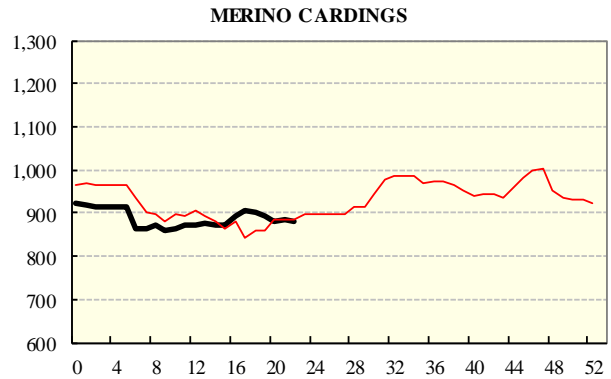
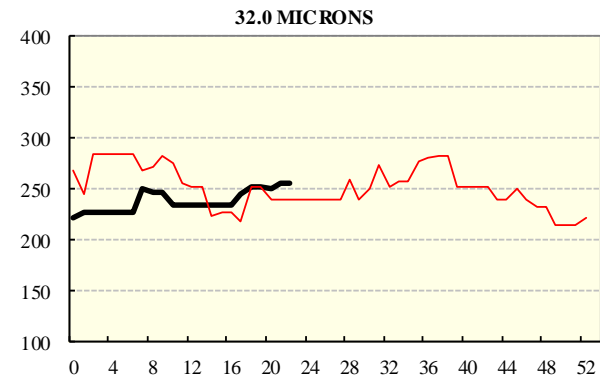
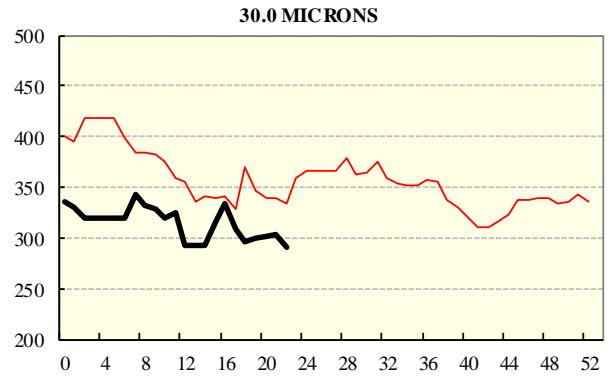
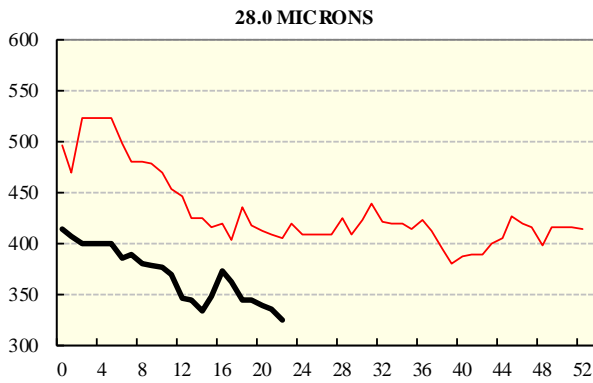
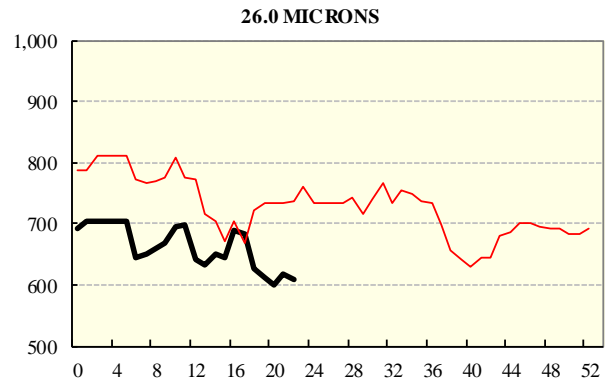
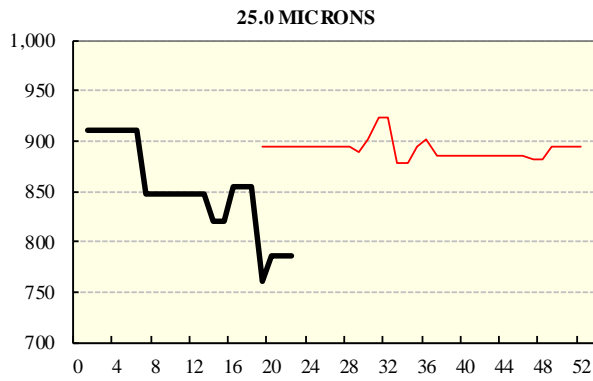
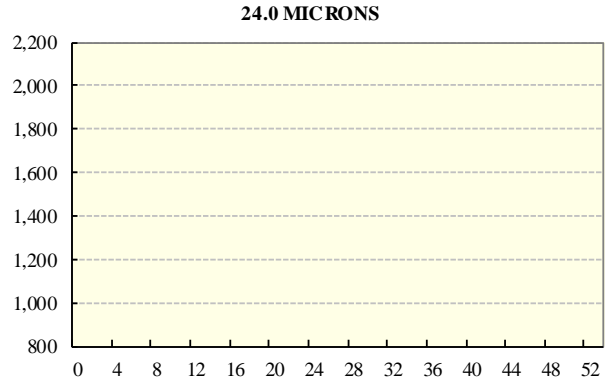
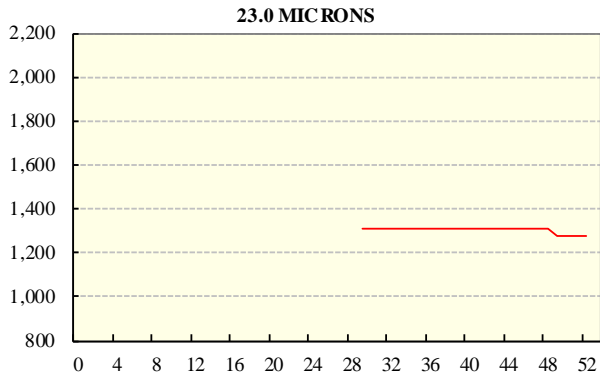
| REGION BALES        |         |       |
|---------------------|---------|-------|
| This Sale:          |         |       |
| North               | 10,439  |       |
| South               | 18,890  |       |
| West                | 8,018   |       |
| Progressive Totals: |         | Diff  |
| North               | 222,207 | -1.1% |
| South               | 363,984 | -3.8% |
| West                | 129,078 | +5.5% |

## AVERAGE AWEX MICRON PRICE GUIDES

2022/23 ( black graph line) and 2021/22 (red graph line)



**AVERAGE AWEX MICRON PRICE GUIDES**  
2022/23 ( black graph line) and 2021/22 (red graph line)



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

(In Australian, United States and European Currencies)

