

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW Week Ending 2 November 2018 (Week 18)

The AWEX EMI finished at 1854¢, 20¢ lower (-1.1%) in Australian currency and 4¢ lower (-0.3%) in US currency at sales in Sydney, Melbourne and Fremantle this week.

35,124 bales were on offer nationally, compared with 33,371 bales last sale. 16.3% of the offering was passed in.

AWEX reports that the value of the wool sold was \$60.9 million (\$2,072 per bale), taking the season total to \$1.163 billion (\$2,343 per bale).

The New Zealand Merino Company also offered 660 bales in Melbourne on Wednesday, of which 35.8% were passed in.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 18)									
Centre	Last Sale		Day-to-Day Changes (Week 18)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	17	1874	No Sale	-6	-14	-20 (-1.1%)	1854	-4	+3
Northern	17	1914	No Sale	-5	-18	-23 (-1.2%)	1891	-7	+1
Southern	17	1849	No Sale	-6	-13	-19 (-1.0%)	1830	-4	+3
Western	17	2033	No Sale	-8	-20	-28 (-1.4%)	2005	-9	-1

The market got away to a better start this week than in the two previous sales, but the EMI eased by a further 14¢ at the close of selling on Thursday. The EMI and WMI are now 231¢ (+14.2%) and 331¢ (+19.8%) greater than at the end of Week 18 last year, when the EMI was 1623¢.

Changes in the market were more evenly distributed over the Merino micron ranges this week, with falls of around 1% in most of the average AWEX MPGs. Crossbreds were also much more settled this week. However, Oddments came under heavy pressure again. The average Merino Cardings Price Guide fell on both days to finish 71¢ (-6.1%) lower.

The US Exchange Rate finished 0.53¢ (0.7%) higher to close at 71.30¢ on Thursday; and moved to over 72¢ (72.43¢) on Friday. This was the first time it had exceeded 72¢ since the beginning of October

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

Looking ahead, the expected offerings for the coming three sales are falling at an increasing rate. They are expected to range from 35,878 bales to 38,280 bales and to be 22.0% less than in the same period last year. The expected three-week difference was -18.8% last week and -15.8% two weeks ago. The forecast progressive difference to Week 21 is -16.0%.

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	93¢	174¢	258¢	363¢	429¢

Market Indicator	Changes From			
	Four Sales Ago Week 14	Start of the Season	Week 18 Last Year	Season Average to Week 18 Last Year
Eastern Market Indicator	-138 (-6.9%)	-134 (-6.7%)	+231 (+14.2%)	+457 (+29.4%)
Western Market Indicator	-127 (-6.0%)	-137 (-6.4%)	+331 (+19.8%)	+557 (+34.7%)

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 ¢	-17	-30	-26	-30	-27	-26	-28	-25	-26	-12	-6	
Change %	-0.6%	-1.2%	-1.0%	-1.3%	-1.2%	-1.2%	-1.3%	-1.2%	-1.2%	-0.6%	-0.3%	
Since Start of the Season												
Change ¢	-389	-254	-160	-81	-62	-64	-85	-116	-116	-84	-102	
Change %	-12.9%	-9.1%	-6.1%	-3.3%	-2.7%	-2.8%	-3.8%	-5.1%	-5.2%	-3.8%	-4.5%	
Since Same Week Last Year												
Change ¢	+145	+140	+122	+133	+201	+267	+332	+430	+526	+636	+684	
Change %	+5.9%	+5.8%	+5.2%	+6.0%	+9.7%	+13.7%	+18.0%	+25.2%	+32.9%	+42.1%	+46.8%	

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 ¢			-8	-5	+10	-71
Change %			-1.0%	-0.7%	+2.1%	-6.1%
Since Start of the Season						
Change ¢	-327	-344	-181	+4	+29	-382
Change %	-17.9%	-22.3%	-18.9%	+0.6%	+6.4%	-26.0%
Since Same Week Last Year						
Change ¢	+322	+152	+43	+147	+81	-199
Change %	+27.3%	+14.5%	+5.9%	+27.5%	+20.3%	-15.5%

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 August ABS export data.

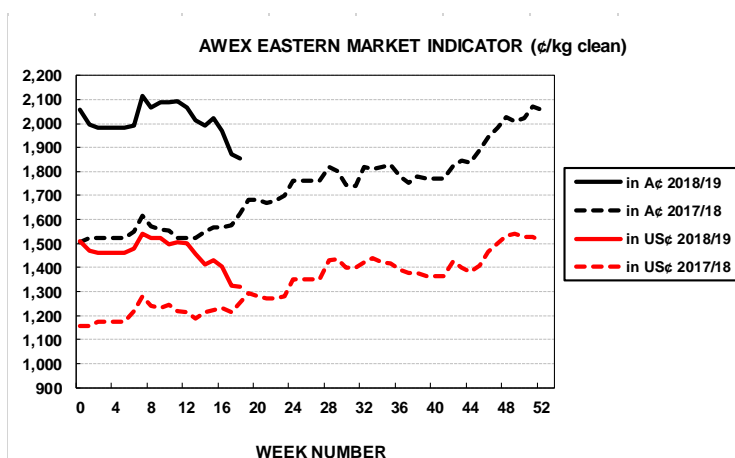
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re- Offered	Bales Sold
North	8,338	9,018	12.0%	4.6%	5.3%	7,937
South	18,716	19,167	15.7%	8.2%	8.2%	16,155
West	6,317	6,939	23.6%	14.8%	8.9%	5,298
Australia	33,371	35,124	16.3%	8.7%	7.6%	29,390

Actual and % Changes in the Progressive Offerings from Last Year	
-34,099	-17.0%
-41,084	-12.5%
-19,439	-16.8%
-94,622	-14.7%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 19	Week 20	Week 21	Differences
North	8,942	9,970	9,665	-24.6%
South	19,868	20,610	18,685	-19.6%
West	7,068	7,700	7,800	-24.8%
New Zealand			1,000	
Australia	35,878	38,280	36,150	110,308
Differences	-17.4%	-24.4%	-23.7%	-22.0%

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	70.77	-0.43	+0.65	-0.06	-0.08	+0.45	+0.53 (+0.7%)	71.30	70.72	74.41
Euro	62.02	-0.15	+0.45	0.00	+0.15	+0.38	+0.83 (+1.3%)	62.85	61.17	64.08

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to August	
	August 2018	July to August 2018/19	July to August 2017/18	By Weight	By Value
China	78.5%	75.5%	74.7%	-19.8%	+11.1%
India	5.4%	7.2%	7.2%	-21.4%	-2.5%
Italy	4.5%	6.1%	5.2%	-7.6%	+10.3%
Czech Republic	3.8%	3.9%	5.9%	-47.8%	-16.2%
Korea	2.6%	2.1%	1.4%	+17.4%	+45.4%
Malaysia	0.9%	1.1%	1.6%	-47.4%	-39.4%
Egypt	0.8%	1.0%	1.0%	-19.8%	-2.3%
Taiwan	0.6%	0.9%	0.6%	+16.7%	+97.1%
Change all Countries				-20.7%	+8.2%



AVERAGE EMI	
This Year	2014
Last Year	1739
2016/17	1408
2015/16	1254
2014/15	1102

SEASON AVERAGES		
Region	This Year	Diff
North	2064	+252
South	1983	+290
West	2163	+356

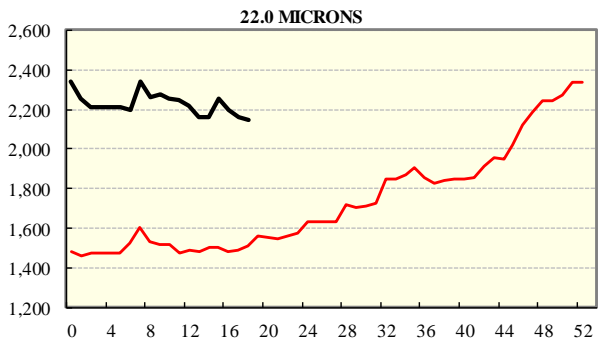
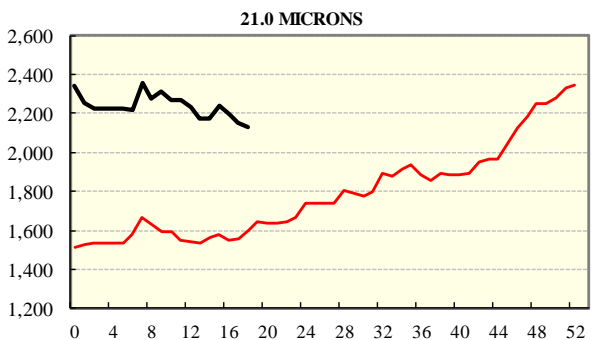
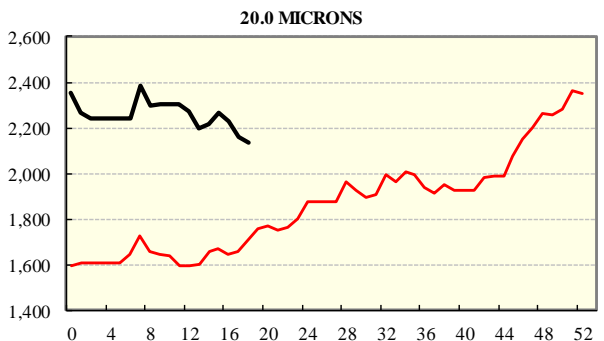
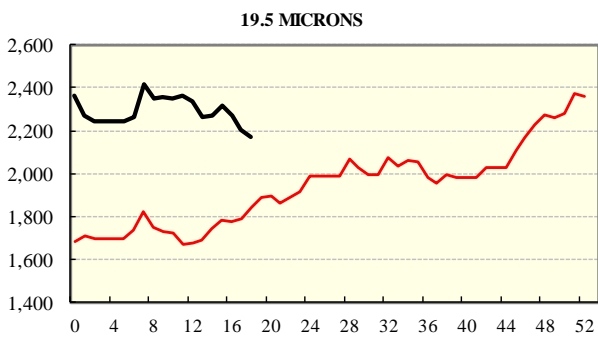
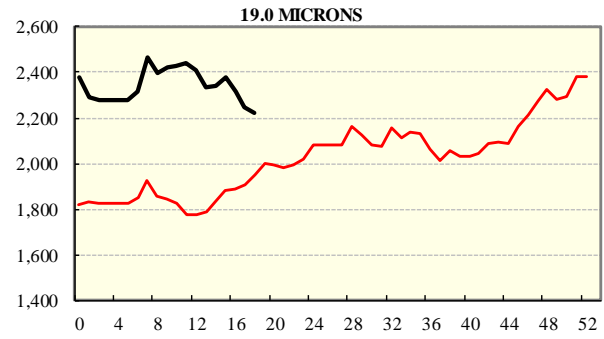
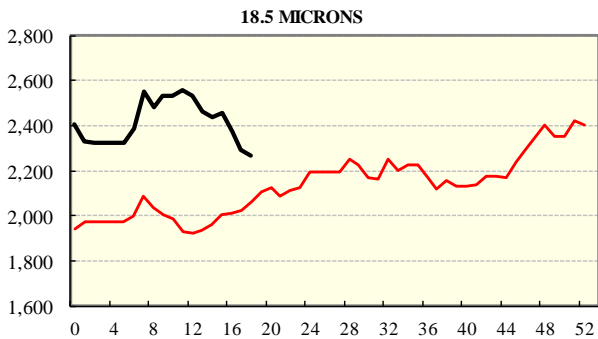
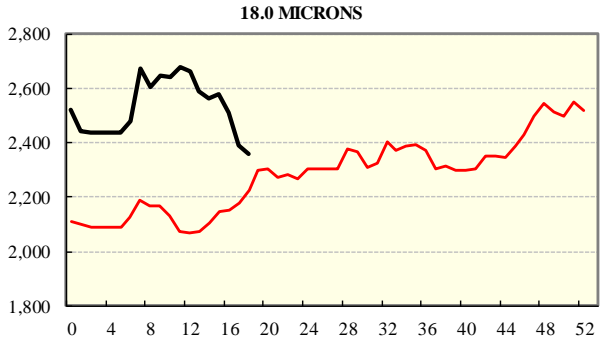
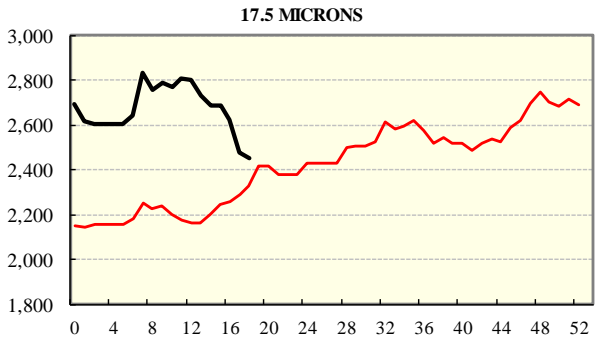
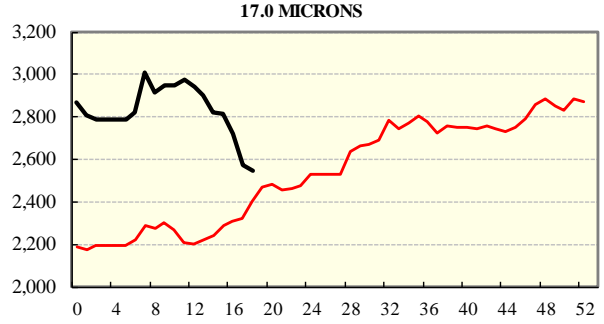
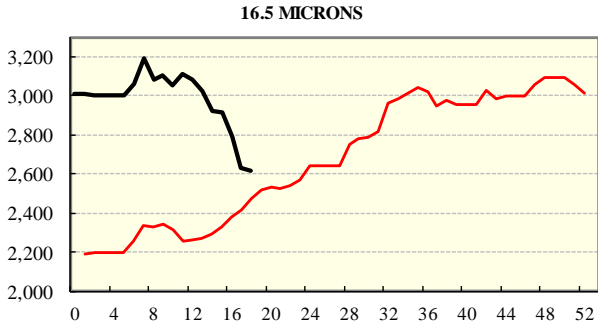
THIS YEAR'S EMI	
This Week	1854
First Week	1994
Low (0/01)	1854
High (0/01)	2116

COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1891	-129
South	1830	-138
West	2005	-137

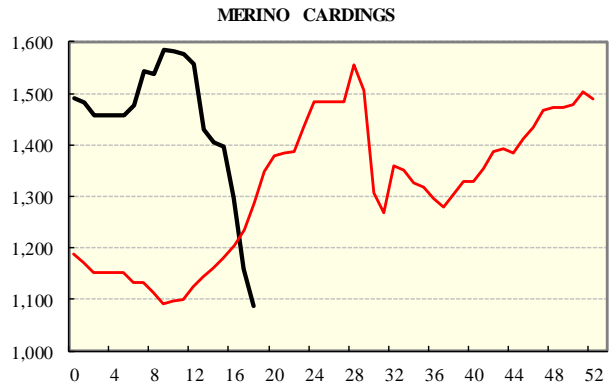
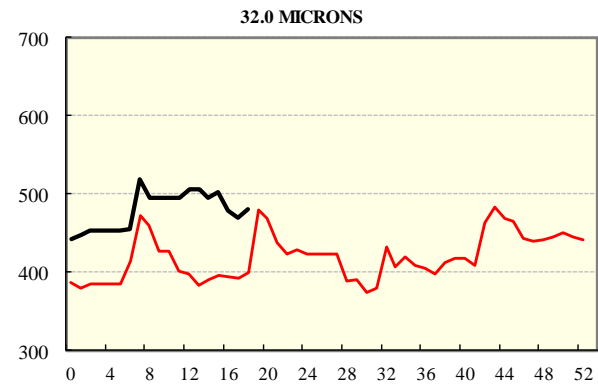
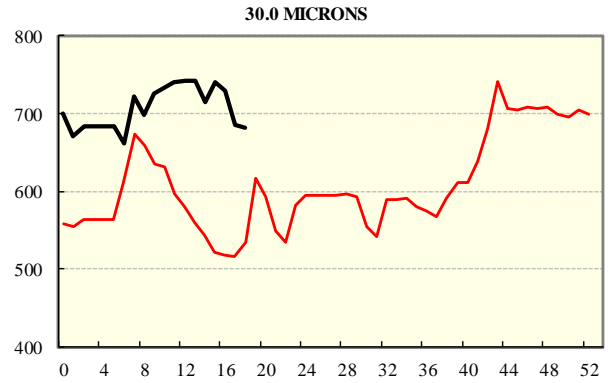
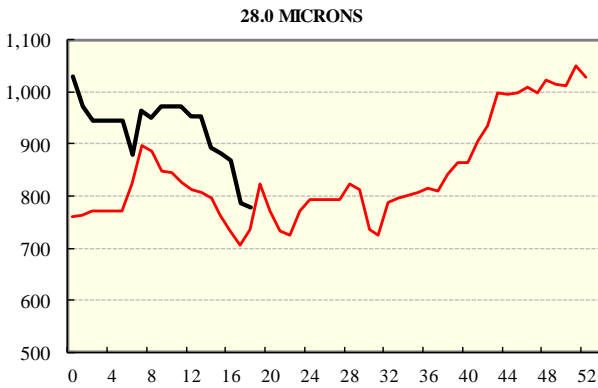
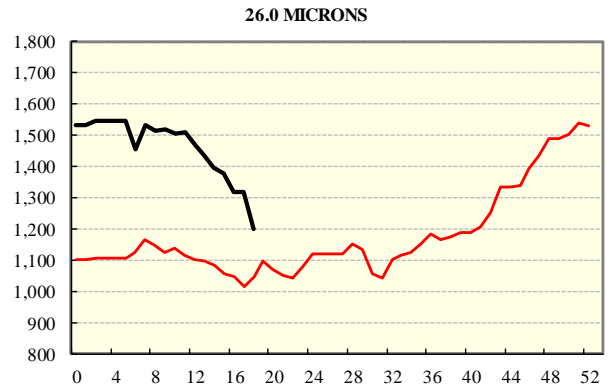
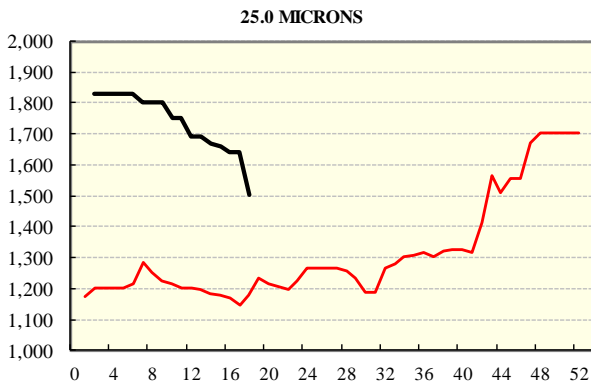
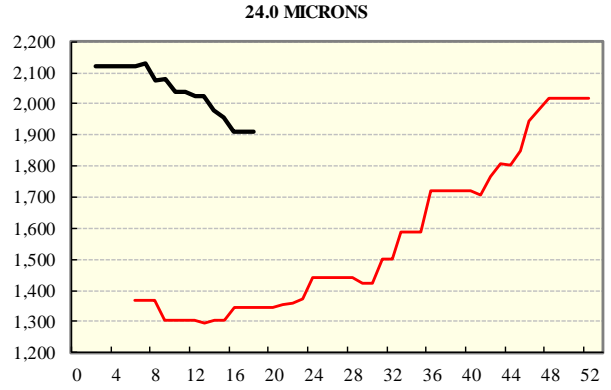
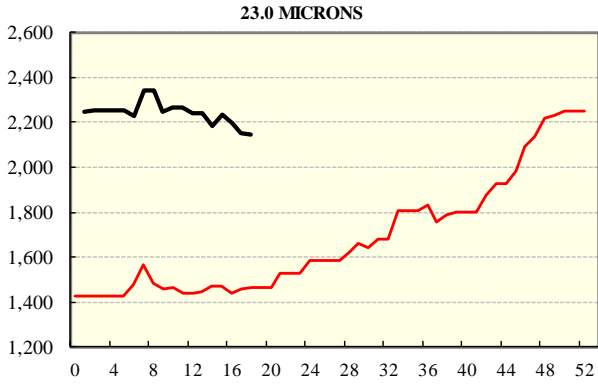
BALES OFFERED	
This Year	551,097
Last Year	645,719
Difference	-94,622
% Diff	-14.7%
FIRST OFFERED BALES	
Difference	-14.3%
% of Offering	95.4%

REGION BALES		
This Sale:		
North	9,018	
South	19,167	
West	6,939	
Progressive Totals:		Diff
North	166,218	-17.0%
South	288,825	-12.5%
West	96,054	-16.8%

AVERAGE AWEX MICRON PRICE GUIDES
2018/19(black graph line) and 2017/18 (red graph line)



AVERAGE AWEX MICRON PRICE GUIDES
2018/19(black graph line) and 2017/18 (red graph line)



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

(In Australian, United States and European Currencies)

