

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW

Week Ending 11 January 2019 (Week 28)

The market followed on from the good finish prior to Christmas when the AWEX EMI closed 48¢ higher (+2.6%) in Australian currency and 27¢ higher (+2.0%) in US currency at sales in Sydney, Melbourne and Fremantle this week.

47,593 bales were on offer nationally, compared with 46,003 bales last sale. 7.0% of the offering was passed in.

It was the largest sale of the season since the first sale after the mid-year break.

AWEX reports that the value of the wool sold was \$86.5 million (\$1,954 per bale), taking the season total to \$1.636 billion (\$2,227 per bale).

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 28)									
Centre	Last Sale		Day-to-Day Changes (Week 28)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	24	1862	+17	+33	-2	+48 (+2.6%)	1910	+27	+3
Northern	24	1906	No Sale	+46	-4	+42 (+2.2%)	1948	+23	-1
Southern	24	1834	+28	+25	0	+53 (+2.9%)	1887	+31	+7
Western	24	2031	+53	-1	No Sale	+52 (+2.6%)	2083	+29	+4

Sales got away to a positive start, with good increases in prices across all types and micron ranges on Tuesday and Wednesday, before settling on Thursday. The greatest gains were from 19 to 22 microns among the Merinos; and across all comeback and crossbred micron ranges. The 36¢ lift in the average AWEX Merino Cardings Price Guide recovered most of the 43¢ fall in the last sale.

The strong opening January sale follows a strong history of price rises in this sale. The EMI has risen 8 times in the last 10 years and 17 times in the 20 year period that we have been reporting on the market.

The US Exchange Rate finished 0.41¢ (-0.6%) lower than at the close of selling prior to Christmas. It closed at 71.85¢ on Thursday.

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

Looking ahead, offerings for the coming three sales are currently expected to range from 36,620 bales to 53,908 bales and to be 3.1% less than in the same period last year. The forecast progressive difference to Week 31 is -15.9%.

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	152¢	211¢	292¢	320¢	339¢

Market Indicator	Changes From			
	Four Sales Ago Week 21	Start of the Season	Week 28 Last Year	Season Average to Week 28 Last Year
Eastern Market Indicator	+52 (+2.8%)	-78 (-3.9%)	+92 (+5.1%)	+354 (+22.0%)
Western Market Indicator	+67 (+3.3%)	-59 (-2.8%)	+195 (+10.3%)	+450 (+27.1%)

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 ¢	-2	+25	+39	+38	+39	+46	+66	+64	+69	+49	+24	
Change %	-0.1%	+1.0%	+1.6%	+1.6%	+1.7%	+2.0%	+3.0%	+2.9%	+3.2%	+2.3%	+1.1%	
Since Start of the Season												
Change ¢	-445	-257	-119	-16	+14	+10	+8	-7	-24	-46	-74	
Change %	-14.8%	-9.2%	-4.6%	-0.7%	+0.6%	+0.4%	+0.4%	-0.3%	-1.1%	-2.1%	-3.3%	
Since Same Week Last Year												
Change ¢	-193	-97	-8	+49	+87	+132	+200	+282	+411	+466	+549	
Change %	-7.0%	-3.7%	-0.3%	+2.1%	+3.9%	+6.1%	+9.7%	+14.4%	+22.7%	+27.1%	+33.8%	

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 ¢	+67	+55	+33	+13	+34	+36
Change %	+4.8%	+4.5%	+3.8%	+1.8%	+7.4%	+3.2%
Since Start of the Season						
Change ¢	-373	-272	-67	+39	+42	-304
Change %	-20.4%	-17.6%	-7.0%	+5.8%	+9.3%	-20.7%
Since Same Week Last Year						
Change ¢	+196	+122	+70	+119	+104	-390
Change %	+15.6%	+10.6%	+8.5%	+19.9%	+26.7%	-25.1%

Average Merino Cardings Price Guide

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AWIS WOOL MARKET REVIEW Week Ending 11 January 2019 (Week 28)

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 October ABS export data.

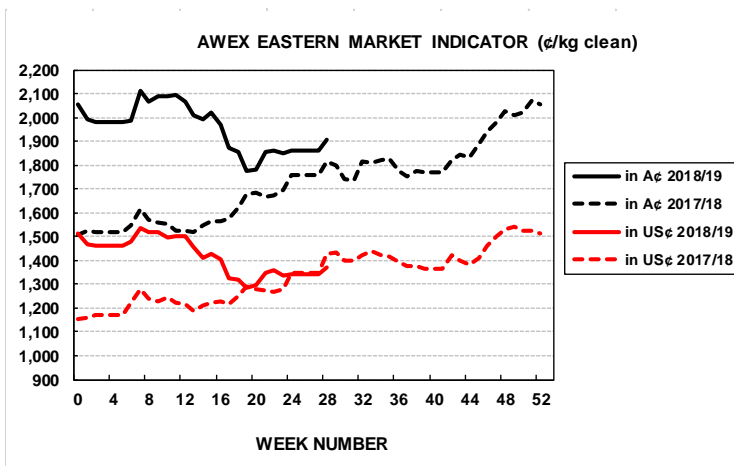
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re-Offered	Bales Sold
North	12,212	9,922	3.8%	1.7%	5.1%	9,546
South	25,162	26,260	5.7%	3.0%	5.4%	24,752
West	8,629	11,411	12.7%	2.3%	9.8%	9,963
Australia	46,003	47,593	7.0%	2.5%	6.4%	44,261

Progressive Changes from Last Year		
All Bales		1 st Time Bales
Bales	%	%
-56,576	-19.6%	-19.9%
-84,106	-16.4%	-17.4%
-33,674	-17.9%	-21.2%
-174,356	-17.6%	-18.8%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 29	Week 30	Week 31	Differences
North	14,349	10,505	9,770	-8.9%
South	28,604	23,080	18,900	-3.6%
West	10,955	8,150	7,950	+7.3%
New Zealand				
Australia	53,908	41,735	36,620	132,263
Differences	-0.8%	-1.9%	-7.5%	-3.1%

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	72.26	-2.02	+1.09	-0.03	+0.24	+0.31	-0.41 (-0.6%)	71.85	70.72	74.41
Euro	63.58	-1.94	+0.82	-0.13	+0.10	-0.27	-1.42 (-2.2%)	62.16	61.17	64.24

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to October	
	October 2018	July to October 2018/19	July to October 2017/18	By Weight	By Value
China	78.2%	75.6%	77.1%	-17.6%	+12.5%
India	6.9%	6.6%	6.3%	-12.4%	+11.5%
Italy	6.0%	6.3%	5.3%	-0.5%	+21.9%
Czech Republic	2.4%	3.2%	5.0%	-48.4%	-21.1%
Korea	1.8%	2.8%	1.3%	+75.4%	+138.4%
Malaysia	0.9%	0.8%	1.3%	-45.9%	-36.7%
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	1960
Last Year	1739
2016/17	1408
2015/16	1254
2014/15	1102

SEASON AVERAGES		
Region	This Year	Diff
North	2007	+195
South	1930	+237
West	2109	+302

THIS YEAR'S EMI	
This Week	1910
First Week	1994
Low (0/01)	1776
High (0/01)	2116

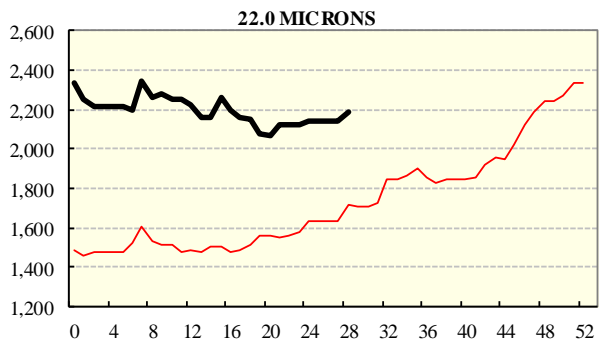
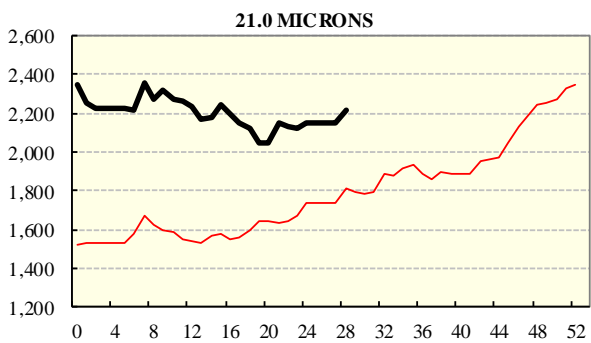
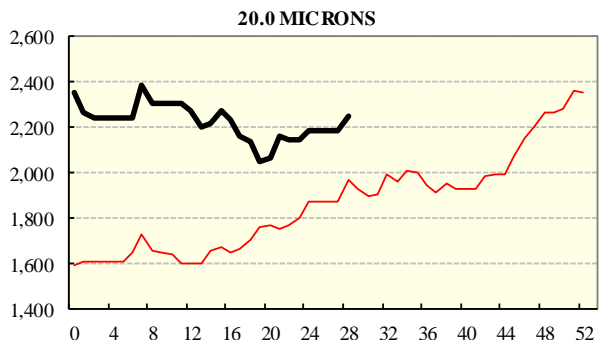
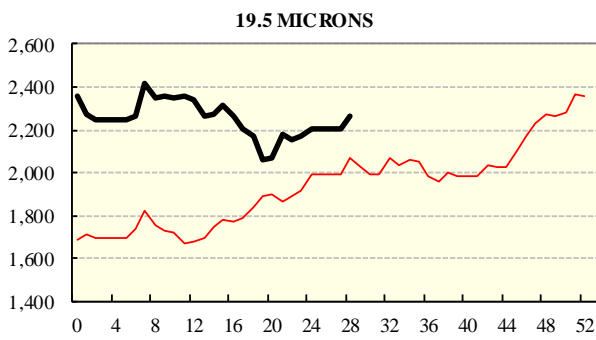
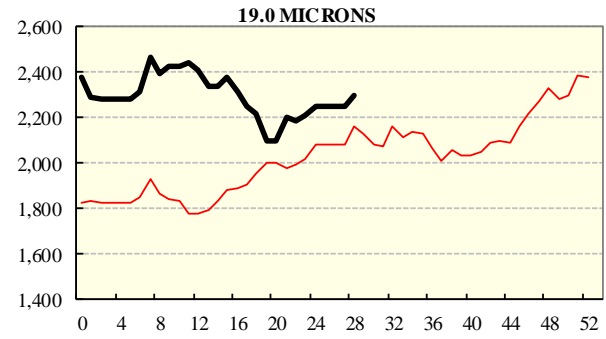
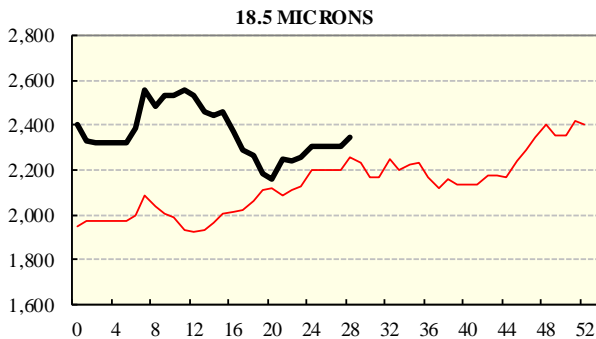
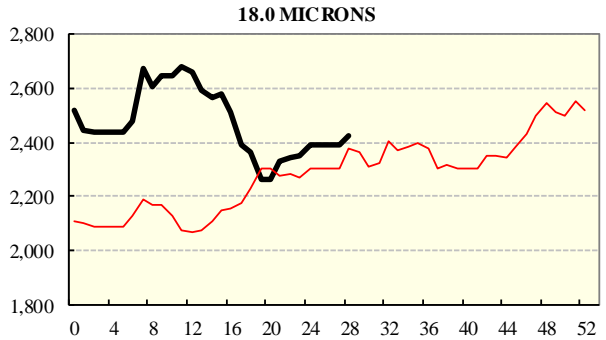
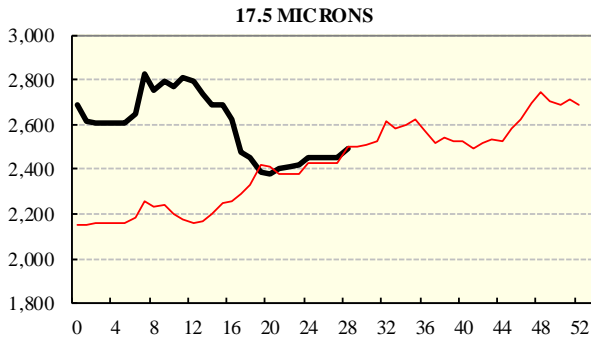
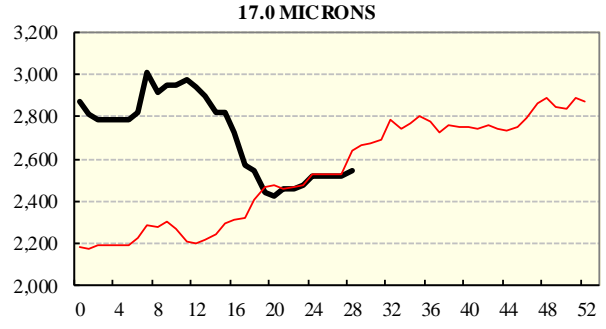
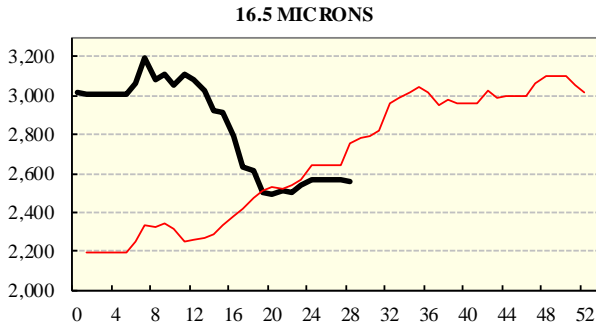
COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1948	-72
South	1887	-81
West	2083	-59

BALES OFFERED	
This Year	814,900
Last Year	989,256
Difference	-174,356
% Diff	-17.6%
FIRST OFFERED BALES	
Difference	-18.8%
% of Offering	94.4%

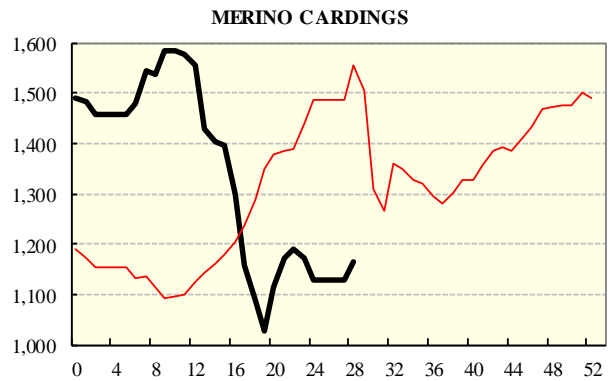
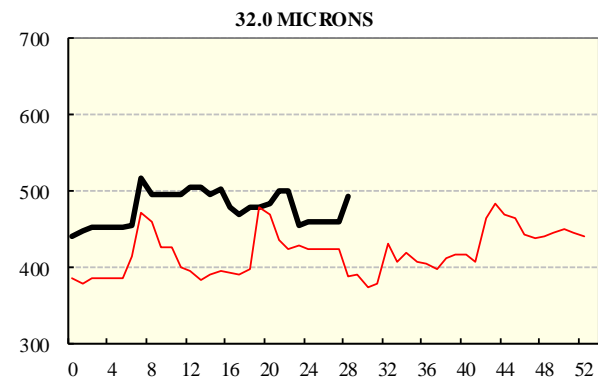
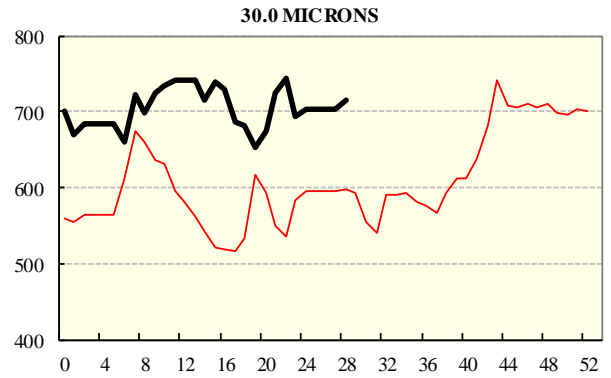
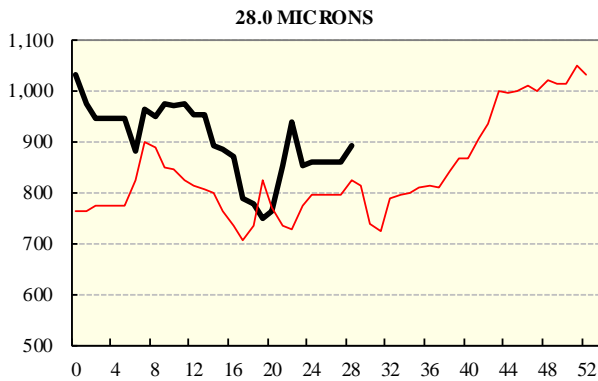
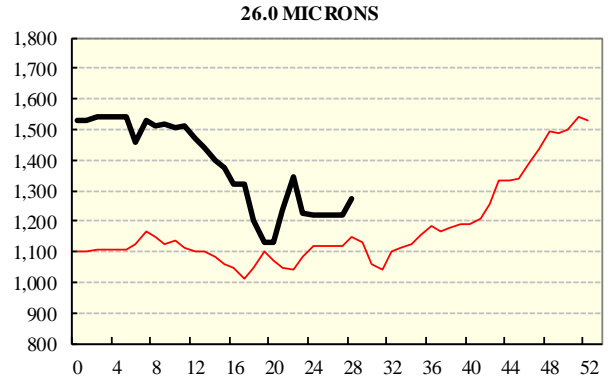
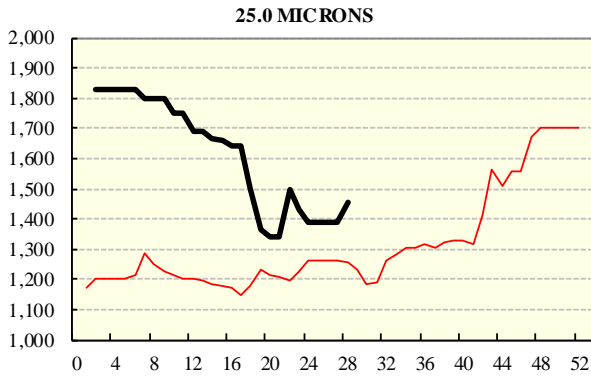
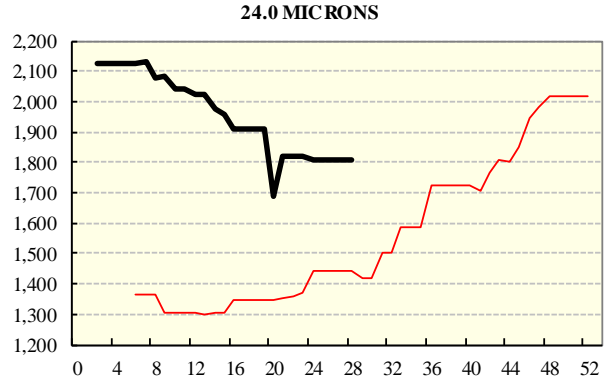
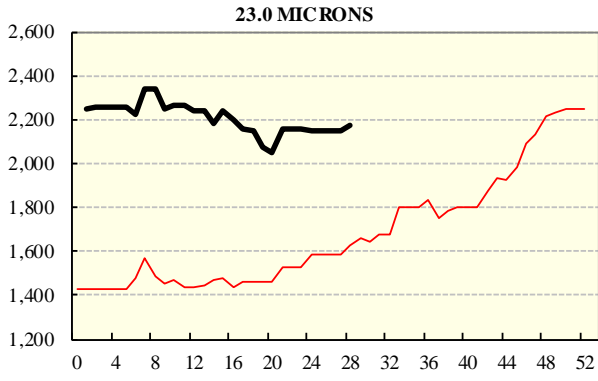
REGION BALES		
This Sale:		
North	9,922	
South	26,260	
West	11,411	
Progressive Totals:		Diff
North	232,705	-19.6%
South	428,092	-16.4%
West	154,103	-17.9%

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)

