

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

Unit 9, 42 - 46 Vella Drive
Sunshine West Vic 3020
Australia
Tel: 03 9311 0103
Fax: 03 9311 0138



Email: awis@woolindustries.org
Web: www.woolindustries.org
ABN: 30 454 304 967
Reg No: A0041776E

AWIS WOOL MARKET REVIEW

Week Ending 12 July 2019 (Week 02)

The AWEX EMI finished 31¢ higher (+1.8%) in Australian currency and 11¢ higher (+0.9%) in US currency in Sydney, Melbourne and Fremantle this week in the last sales before the three week mid-year break.

The EMI has picked up by 39¢ in Australian currency since falling to 1715 in the last Sale in June two weeks ago.

34,078 bales were on offer nationally, compared with 30,991 bales last sale. 6.5% of the offering was passed in; which was well below the average of 17.5% in June.

AWEX reports that the value of the wool sold was \$59.9 million (\$1,880 per bale), taking the season total to \$113.8 million (\$1,869 per bale).

| Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 02) | | | | | | | | | |
|---|-----------|-----------|------------------------------|-----------|----------|---------------------|-------------------|----------------------|--------|
| Centre | Last Sale | | Day-to-Day Changes (Week 02) | | | Sale-to-Sale Change | Closing Indicator | Sale-to-Sale Changes | |
| | Week | Indicator | Tuesday | Wednesday | Thursday | | | US ¢ | Euro ¢ |
| Eastern | 01 | 1723 | No Sale | +17 | +14 | +31 (+1.8%) | 1754 | +11 | +11 |
| Northern | 01 | 1738 | No Sale | +24 | +18 | +42 (+2.4%) | 1780 | +18 | +17 |
| Southern | 01 | 1713 | No Sale | +13 | +11 | +24 (+1.4%) | 1737 | +6 | +7 |
| Western | 01 | 1867 | No Sale | +27 | No Sale | +27 (+1.4%) | 1894 | +6 | +8 |

It was a good market going into the mid-year break, with rises in the EMI in both Australian and US currencies. The good rise (+31¢) in A\$ was the result of strong demand that was boosted by a 0.9% depreciation in US currency since the previous sale. As in recent weeks, there was little difference in the closing average AWEX MPGs from 18.5 to 22 microns. This week they ranged from 2062¢ at 18.5 microns to 2043¢ at 19 microns and to 2034¢ at 22 microns.

There were lifts in prices across all types and micron ranges, with greatest rises occurring in the average MPGs from 16.5 to 18.5 microns; and in the average Merino Cardings Price Guide. Merino Skirtings also did well on both days.

The US Exchange Rate finished 0.64¢ (-0.9%) lower to close at 69.72¢ on Thursday.

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

In other countries, South African sales are in recess until 14 August.

| 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 | 22¢ | 82¢ | 91¢ | 99¢ | No 16.5µ MPG |

| Market Indicator | Changes From | | | |
|--------------------------|---------------------------|------------------------|----------------------|--|
| | Four Sales Ago Week 50 | Start of the Season | Week 02 Last Year | Season Average to Week 02 Last Year |
| Eastern Market Indicator | -69 (-3.8%) | +31 (+1.8%) | -227 (-11.5%) | -249 (-12.5%) |
| Western Market Indicator | -43 (-2.2%) | +27 (+1.4%) | -235 (-11.0%) | -262 (-12.2%) |

| 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 ¢ | +44 | +21 | +29 | +27 | +21 | +13 | +17 | +16 | +15 | | | |
| Change % | +2.1% | +1.0% | +1.4% | +1.3% | +1.0% | +0.6% | +0.8% | +0.8% | +0.7% | | | |
| Since Start of the Season | | | | | | | | | | | | |
| Change ¢ | +22 | +10 | +14 | +13 | +10 | +6 | +8 | +8 | +7 | 0 | | |
| Change % | +1.0% | +0.5% | +0.7% | +0.6% | +0.5% | +0.3% | +0.4% | +0.4% | +0.3% | 0.0% | | |
| Since Same Week Last Year | | | | | | | | | | | | |
| Change ¢ | -821 | -633 | -466 | -309 | -263 | -234 | -208 | -205 | -197 | -177 | | |
| Change % | -27.3% | -22.7% | -17.9% | -12.7% | -11.3% | -10.3% | -9.3% | -9.1% | -8.8% | -8.0% | | |

| 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 ¢ | | | +9 | +26 | -1 | +40 |
| Change % | | | +0.9% | +3.1% | -0.2% | +4.1% |
| Since Start of the Season | | | | | | |
| Change ¢ | | +29 | +4 | +13 | -1 | +20 |
| Change % | | +2.2% | +0.4% | +1.5% | -0.2% | +2.0% |
| Since Same Week Last Year | | | | | | |
| Change ¢ | | -171 | +105 | +177 | +135 | -451 |
| Change % | | -11.1% | +11.1% | +25.9% | +29.8% | -30.9% |

In the last sale in June.#

Average Merino Cardings Price Guide

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

Unit 9, 42 - 46 Vella Drive
Sunshine West Vic 3020
Australia
Tel: 03 9311 0103
Fax: 03 9311 0138



Email: awis@woolindustries.org
Web: www.woolindustries.org
ABN: 30 454 304 967
Reg No: A0041776E

AWIS WOOL MARKET REVIEW

Week Ending 12 July 2019 (Week 02)

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 May ABS export data.

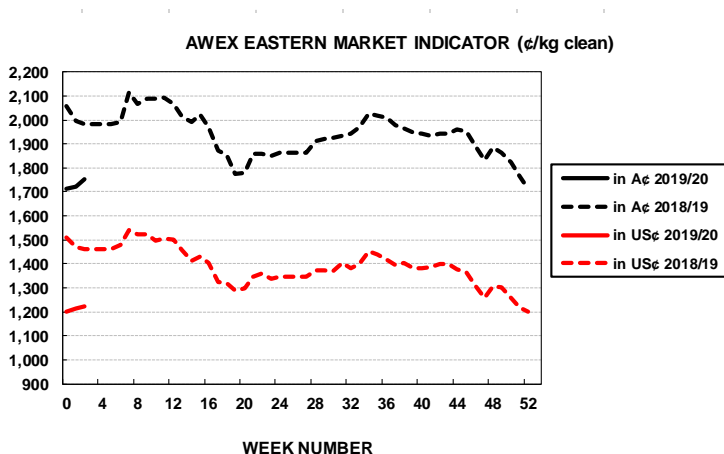
| Details of this Week's Offering and the Comparison with the Previous Sale's Offering | | | | | | |
|--|-----------|-----------|-----------|-----------------------|------------|------------|
| Centre | Last Sale | This Sale | | | | |
| | Offering | Offering | Passed-In | Withdrawn Before Sale | Re-Offered | Bales Sold |
| North | 12,368 | 11,890 | 5.4% | 5.6% | 7.9% | 11,248 |
| South | 10,965 | 17,066 | 5.5% | 4.4% | 10.9% | 16,133 |
| West | 7,658 | 5,122 | 12.4% | 7.8% | 32.7% | 4,487 |
| Australia | 30,991 | 34,078 | 6.5% | 5.3% | 13.1% | 31,868 |

| Progressive Changes from Last Year | | |
|------------------------------------|--------|----------------------------|
| All Bales | | 1 st Time Bales |
| Bales | % | % |
| -5,949 | -19.7% | -22.2% |
| -13,203 | -32.0% | -37.2% |
| -203 | -1.6% | -11.4% |
| -19,355 | -22.9% | -28.1% |

| Next Sale Offerings and Year-on-Year Differences | | | | |
|--|---------|---------|---------|-------------|
| Centre | Week 03 | Week 04 | Week 05 | Differences |
| North | No Sale | No Sale | No Sale | |
| South | No Sale | No Sale | No Sale | |
| West | No Sale | No Sale | No Sale | |
| New Zealand | | | | |
| Australia Differences | | | | 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 | 70.36 | -0.16 | -0.30 | -0.32 | -0.34 | +0.48 | -0.64 (-0.9%) | 69.72 | 69.72 | 70.36 |
| Euro | 62.36 | -0.13 | +0.01 | -0.20 | -0.27 | +0.09 | -0.50 (-0.8%) | 61.86 | 61.86 | 62.36 |

| Country | % Share of Australia's Wool Exports by Weight of Wool Shipped | | | Year-on-Year % Change | |
|----------------------|---|---------------------|---------------------|-----------------------|----------------------|
| | May 2019 | July to May 2018/19 | July to May 2017/20 | July to May By Weight | July to May By Value |
| China | 82.0% | 77.7% | 78.5% | -14.1% | -0.3% |
| India | 4.8% | 5.8% | 6.0% | -10.1% | +3.6% |
| Italy | 2.8% | 4.8% | 4.2% | -1.5% | +9.2% |
| Czech Republic | 3.2% | 3.6% | 5.3% | -41.2% | -31.3% |
| Korea | 2.4% | 2.5% | 1.6% | +34.3% | +45.8% |
| 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 | 1739 |
| Last Year | 1939 |
| 2017/18 | 1739 |
| 2016/17 | 1408 |
| 2015/16 | 1254 |

| THIS YEAR'S EMI | |
|-----------------|------|
| This Week | 1754 |
| First Week | 1723 |
| Low (0/01) | 1723 |
| High (0/01) | 1754 |

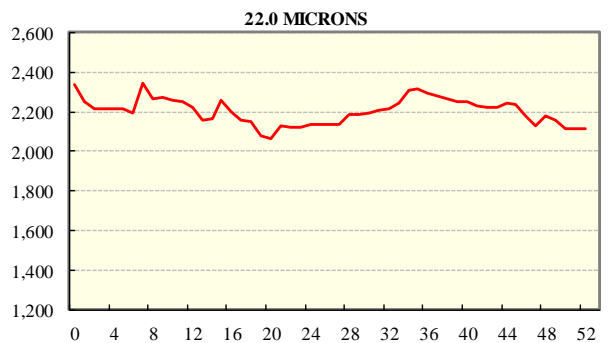
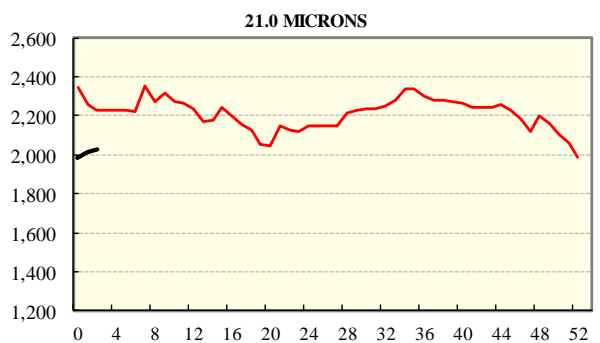
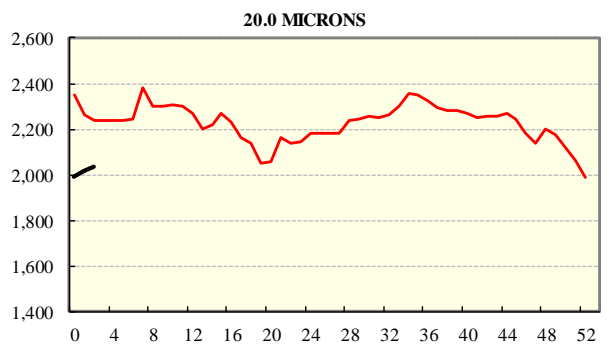
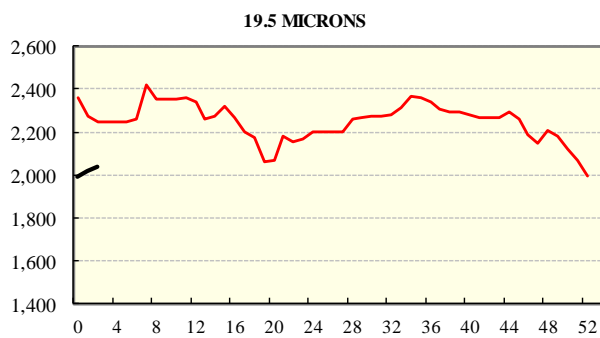
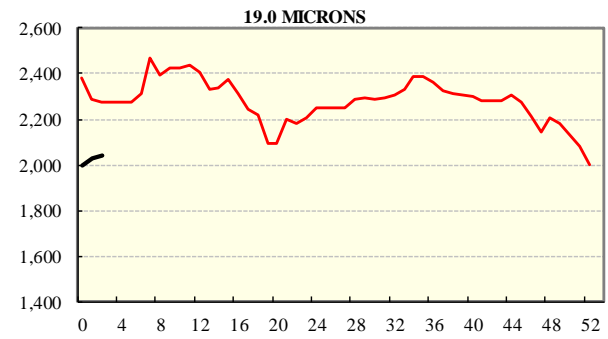
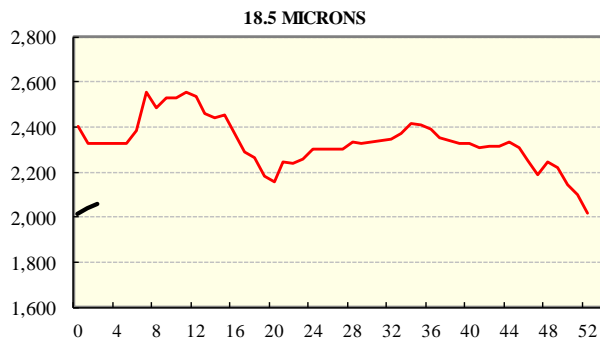
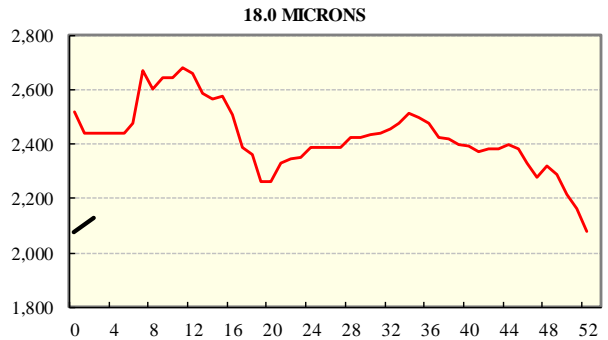
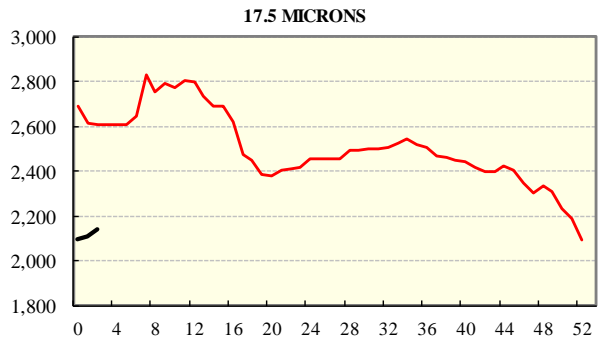
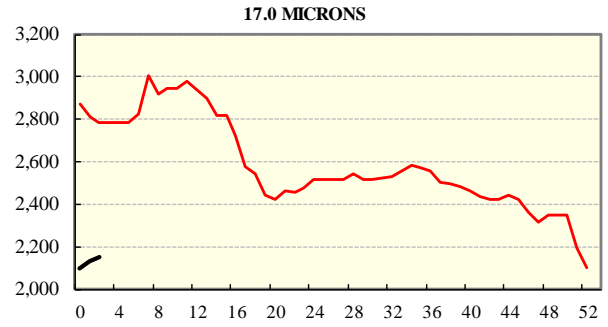
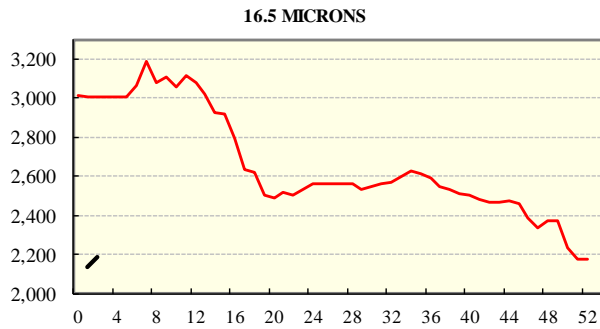
| BALES OFFERED | |
|---------------------|---------|
| This Year | 65,069 |
| Last Year | 84,424 |
| Difference | -19,355 |
| % Diff | -22.9% |
| FIRST OFFERED BALES | |
| Difference | -28.1% |
| % of Offering | 89.8% |

| SEASON AVERAGES | | |
|-----------------|-----------|------|
| Region | This Year | Diff |
| North | 1759 | -223 |
| South | 1725 | -187 |
| West | 1881 | -208 |

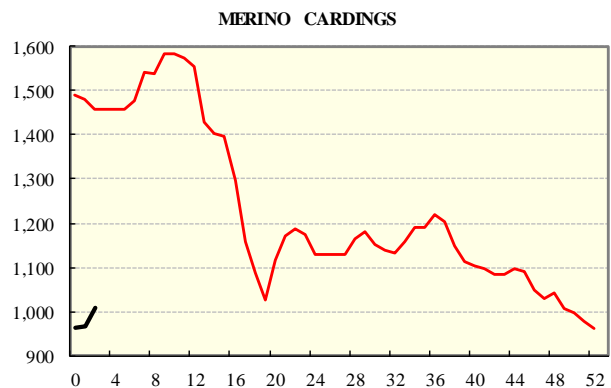
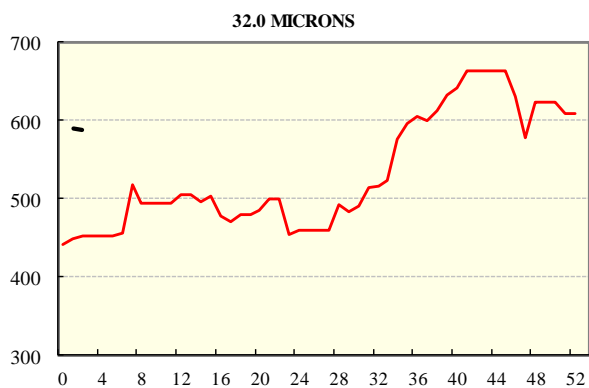
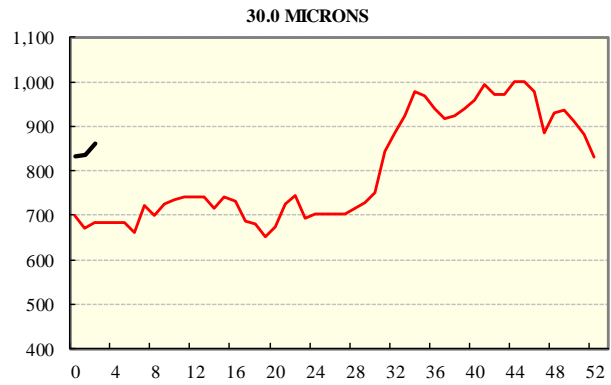
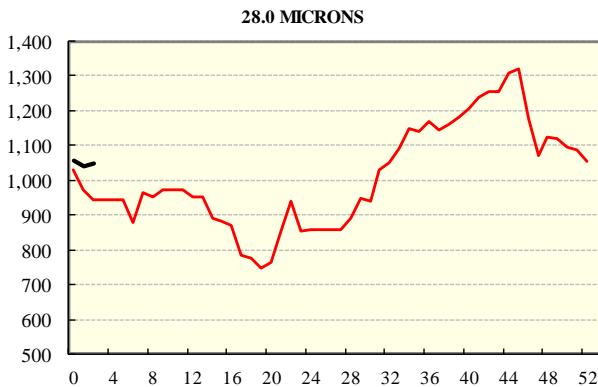
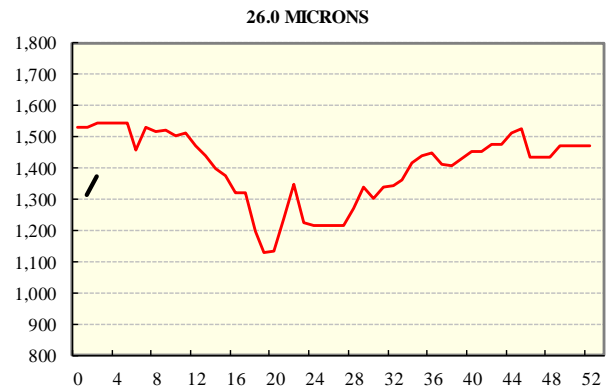
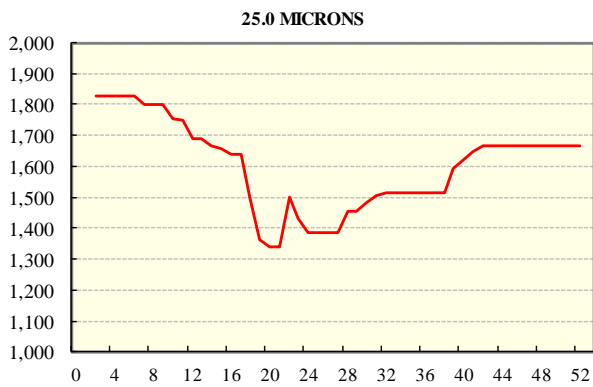
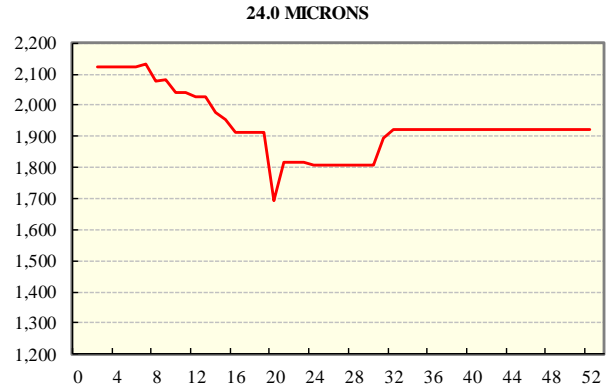
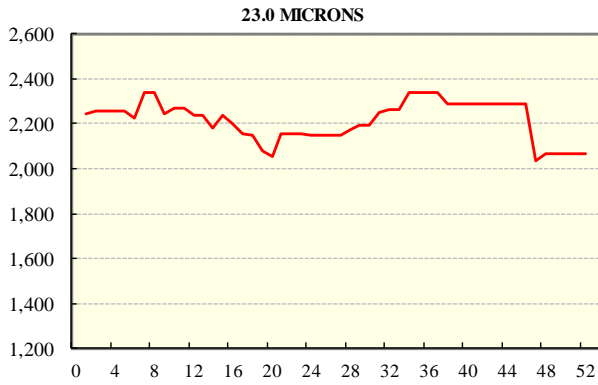
| COMPARED WITH WKS 1/2 | | |
|-----------------------|-----------|------|
| Region | This Week | Diff |
| North | 1780 | +21 |
| South | 1737 | +12 |
| West | 1894 | +13 |

| REGION BALES | | |
|---------------------|--------|--------|
| This Sale: | | |
| North | 11,890 | |
| South | 17,066 | |
| West | 5,122 | |
| Progressive Totals: | | Diff |
| North | 24,258 | -19.7% |
| South | 28,031 | -32.0% |
| West | 12,780 | -1.6% |

AVERAGE AWEX MICRON PRICE GUIDES
2019/20 (black graph line) and 2018/19 (red graph line)



AVERAGE AWEX MICRON PRICE GUIDES
2019/20 (black graph line) and 2018/19 (red graph line)



EASTERN MARKET INDICATOR (EMI) SINCE 1999/00 (¢/kg clean)
(In Australian, United States and European Currencies)

