

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW Week Ending 14 September 2018 (Week 11)

The AWEX EMI finished 6¢ higher (+0.3%) in Australian currency and 7¢ higher (+0.5%) in US currency at sales in Sydney, Melbourne and Fremantle this week.

34,064 bales were on offer nationally, compared with 38,037 bales last sale. 2.7% of the offering was passed in.

AWEX reports that the value of the wool sold was \$82.9 million (\$2,500 per bale), taking the season total to \$679.7 million (\$2,359 per bale), \$123 million (+21%) above the same time last year, despite the 13.5% fall in the number of bales offered.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 11)									
Centre	Last Sale		Day-to-Day Changes (Week 11)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	10	2088	No Sale	+9	-3	+6 (+0.3%)	2094	+7	+6
Northern	10	2153	No Sale	+10	-1	+9 (+0.4%)	2162	+9	+8
Southern	10	2047	No Sale	+9	-5	+4 (+0.2%)	2051	+5	+4
Western	10	2255	No Sale	+12	-11	+1 (+0.0%)	2256	+3	+3

The market got away to a good start on Wednesday when the AWEX Micron Price Guides were up, or unchanged; before easing in the 19 to 22 micron range on Thursday. The lesser types were again more affected than the better wools.

There were overall gains up to 19.5 microns, after which the gains became progressively small falls (-3¢ to -6¢) up to 22 microns. The gains at the fine end were greatest at 16.5 microns, and became less as the fibre diameter increased. Crossbreds showed little overall change during the week. Merino skirtings finished on a mixed basis, as did the oddments.

The US Exchange Rate was relatively unchanged during the week, after the steady falls from around 74¢ in July. It finished 0.10¢ (0.1%) higher to close at 71.81¢ on Thursday.

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

Looking ahead, offerings for the coming three sales are expected to range from 34,800 bales to 37,700 bales and to be 7.7% less than in the same period last year. This continues the trend seen in the season to date.

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	293¢	399¢	518¢	691¢	842¢

Market Indicator	Changes From			
	Four Sales Ago Week 07	Start of the Season	Week 11 Last Year	Season Average to Week 11 Last Year
Eastern Market Indicator	-22 (-1.0%)	+106 (+5.3%)	0 ()	+500 (+32.2%)
Western Market Indicator	-23 (-1.0%)	+114 (+5.3%)	+686 (+43.7%)	+613 (+38.3%)

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 ¢	+58	+30	+37	+37	+25	+10	+8	-3	-3	-6	0	0
Change %	+1.9%	+1.0%	+1.3%	+1.4%	+1.0%	+0.4%	+0.3%	-0.1%	-0.1%	-0.3%	0.0%	0.0%
Since Start of the Season												
Change ¢	+106	+178	+196	+239	+230	+154	+102	+48	+25	+16	+18	-84
Change %	+3.5%	+6.4%	+7.5%	+9.8%	+9.9%	+6.7%	+4.5%	+2.1%	+1.1%	+0.7%	+0.8%	-4.0%
Since Same Week Last Year												
Change ¢	+859	+766	+632	+607	+625	+659	+692	+702	+719	+770	+827	+733
Change %	+38.1%	+34.7%	+29.0%	+29.3%	+32.3%	+37.1%	+41.5%	+43.9%	+46.4%	+52.1%	+57.4%	+56.1%

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 ¢	-1	+6	+1	+7	0	-8
Change %	-0.1%	+0.4%	+0.1%	+1.0%	0.0%	-0.5%
Since the Start of the Season						
Change ¢	+481	+329	+230	+147	+56	+103
Change %	+40.5%	+29.7%	+30.0%	+26.3%	+14.6%	+7.0%
Since Same Week Last Year						
Change ¢	+528	+380	+245	+141		+275
Change %	+46.3%	+36.0%	+32.6%	+25.0%		+23.1%

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 July ABS export data.

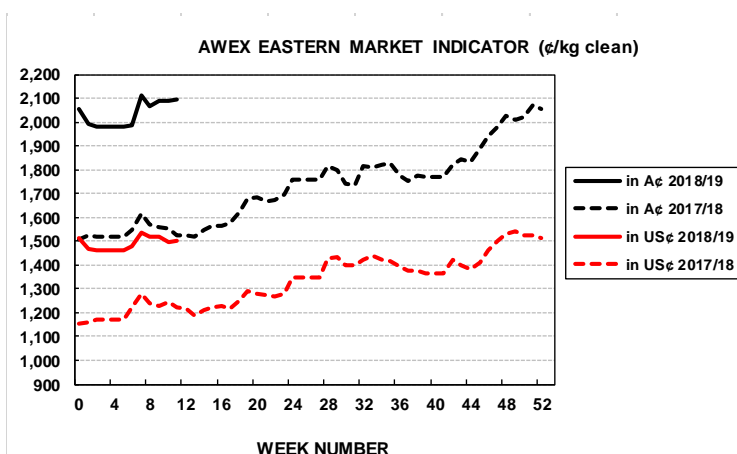
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re- Offered	Bales Sold
North	10,898	10,255	1.8%	0.2%	2.5%	10,068
South	20,141	18,060	2.6%	0.7%	2.3%	17,587
West	6,998	5,749	4.2%	0.2%	3.6%	5,505
Australia	38,037	34,064	2.7%	0.5%	2.6%	33,160

Actual and % Changes in the Progressive Offerings from Last Year	
-16,559	-13.8%
-20,276	-11.5%
-11,117	-18.5%
-47,952	-13.5%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 12	Week 13	Week 14	Differences
North	8,401	10,461	9,730	-16.6%
South	22,318	17,819	21,390	-2.6%
West	5,842	6,550	6,550	-8.3%
New Zealand	550		700	
Australia	36,561	34,830	37,670	-7.7%
Differences	-10.2%	-11.1%	-1.4%	

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	71.71	-0.20	-0.36	+0.11	-0.23	+0.78	+0.10 (+0.1%)	71.81	71.71	74.41
Euro	61.70	-0.19	+0.09	-0.24	-0.04	+0.47	+0.09 (+0.1%)	61.79	61.70	64.08

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to July	
	July 2018	July to July 2018/19	July to July 2017/18	By Weight	By Value
China	73.6%	73.6%	70.3%	-18.7%	+14.4%
India	8.4%	8.4%	9.4%	-30.7%	-12.3%
Italy	7.1%	7.1%	6.7%	-17.1%	-1.1%
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%



AVERAGE EMI	
This Year	2053
Last Year	1739
2016/17	1408
2015/16	1254
2014/15	1102

SEASON AVERAGES		
Region	This Year	Diff
North	2101	+289
South	2023	+329
West	2212	+405

THIS YEAR'S EMI	
This Week	2094
First Week	1994
Low (0/01)	1981
High (0/01)	2116

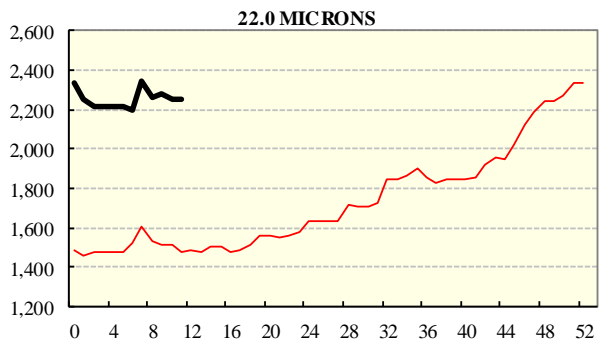
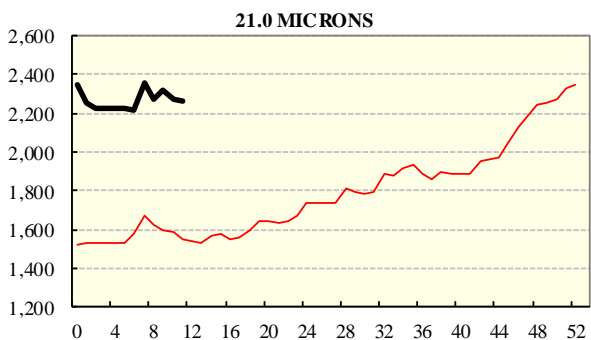
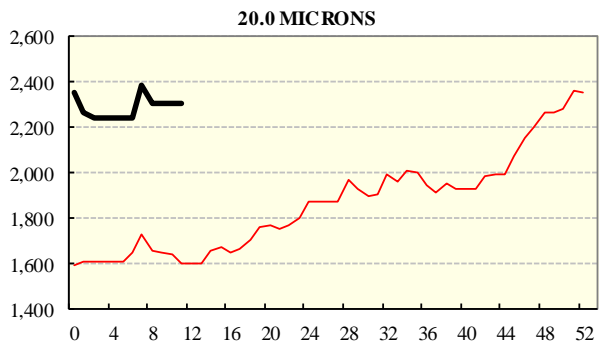
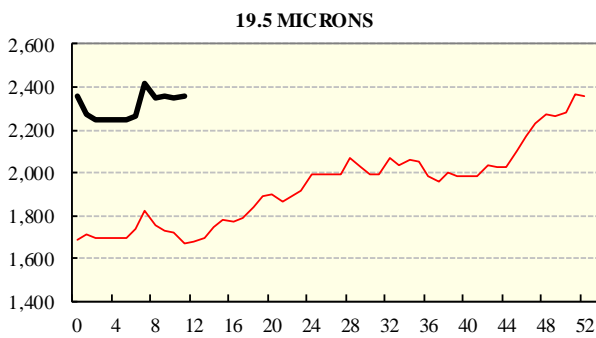
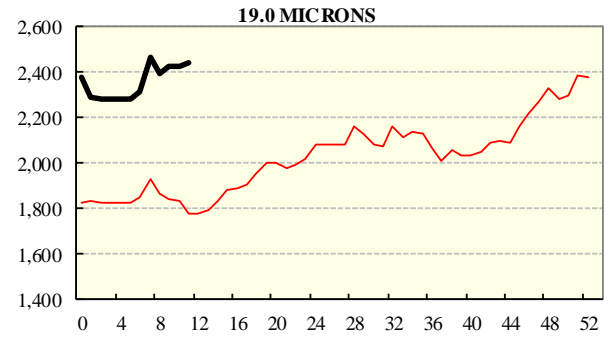
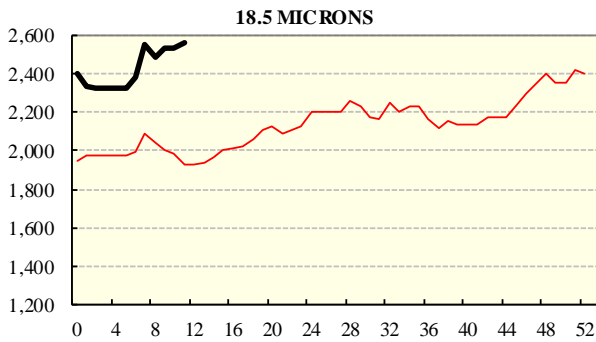
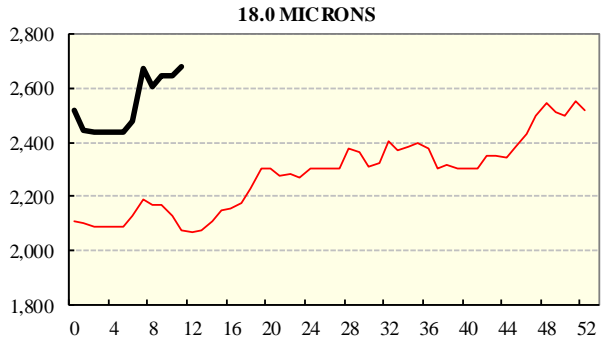
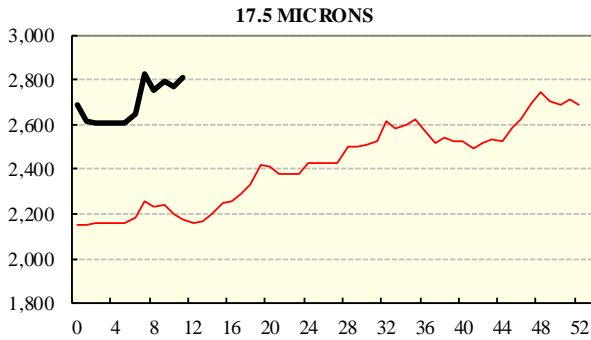
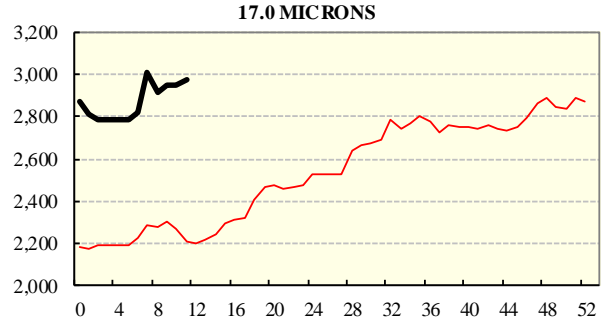
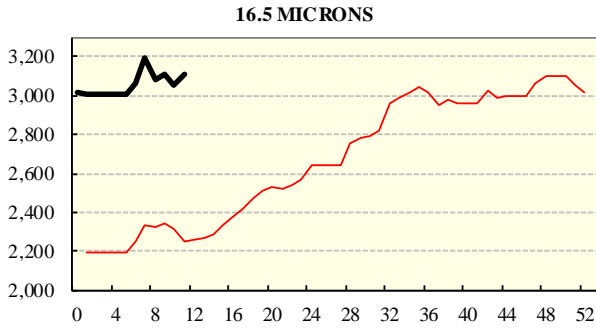
COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	2162	+142
South	2051	+83
West	2256	+114

BALES OFFERED	
This Year	307,933
Last Year	355,885
Difference	-47,952
% Diff	-13.5%
FIRST OFFERED BALES	
Difference	-12.8%
% of Offering	95.6%

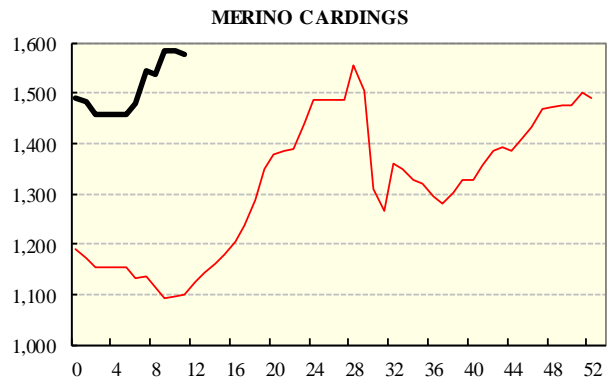
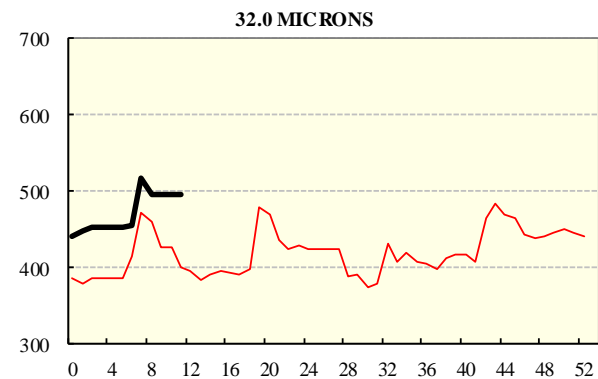
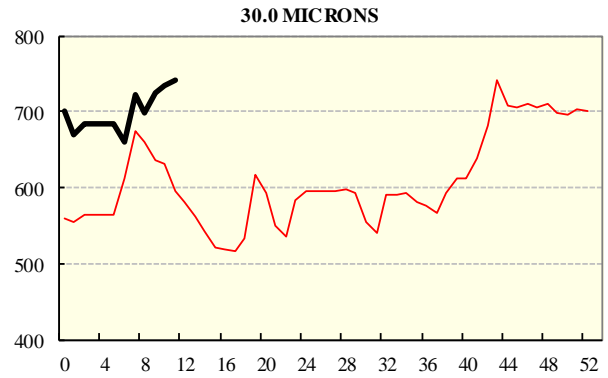
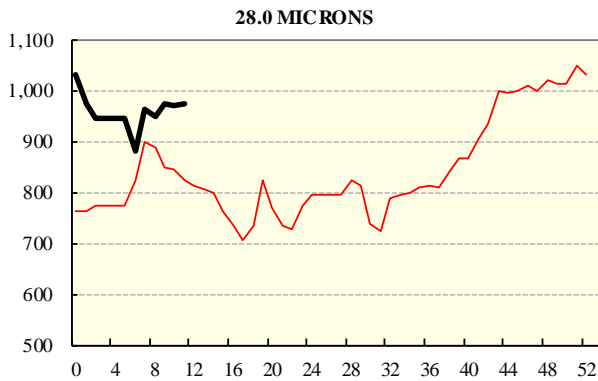
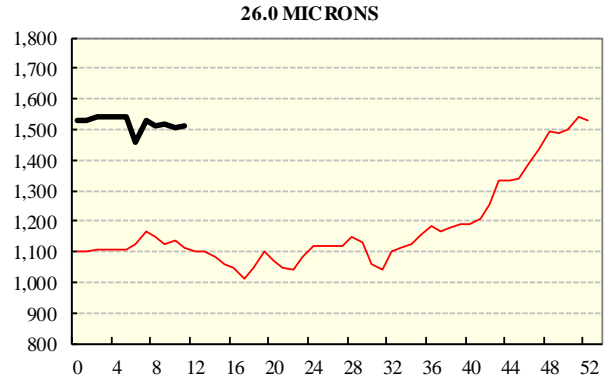
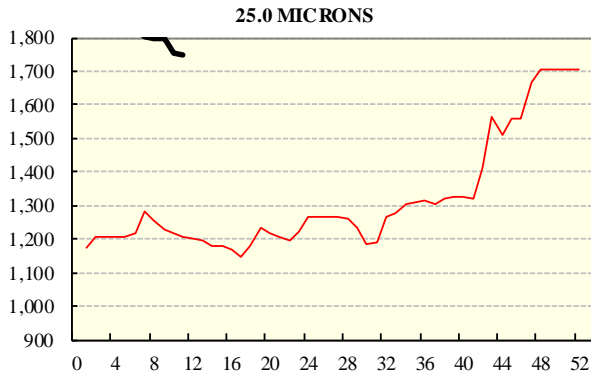
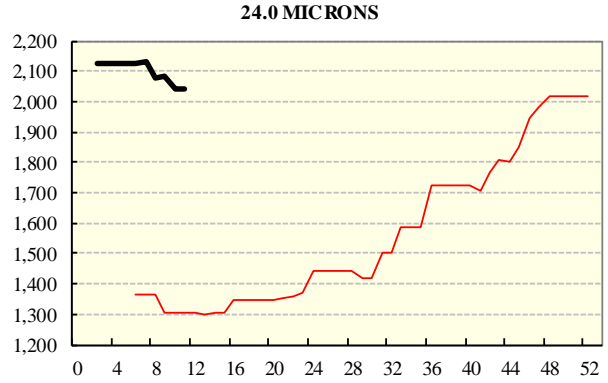
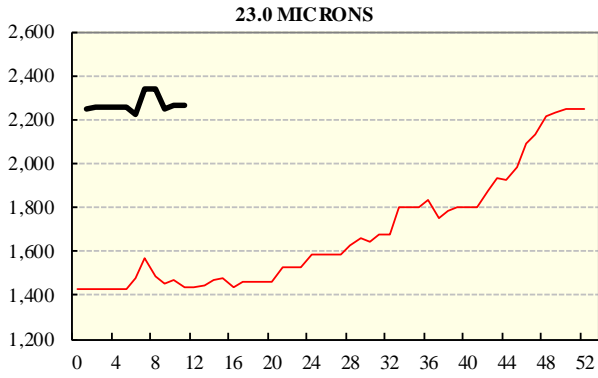
REGION BALES		
This Sale:		
North	10,255	
South	18,060	
West	5,749	
Progressive Totals:		Diff
North	103,037	-13.8%
South	155,977	-11.5%
West	48,919	-18.5%

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)

