

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW

Week Ending 18 October 2019 (Week 16).

The AWEX EMI finished at 1517¢, 26¢ lower (-1.7%) in Australian currency and 12¢ lower (-1.2%) in US currency at sales in Sydney, Melbourne and Fremantle this week.

35,351 bales were on offer nationally, compared with 28,149 bales last sale. 15.3% of the offering was passed in.

AWEX reports that the value of the wool sold was \$52.5 million (\$1,754 per bale), taking the season total to \$556.3 million (\$1,737 per bale). The number of bales sold at auction this season is 27.4% less than in 2018/19.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 16)									
Centre	Last Sale		Day-to-Day Changes (Week 16)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	15	1543	No Sale	-27	+1	-26 (-1.7%)	1517	-12	-19
Northern	15	1567	No Sale	-27	+5	-22 (-1.4%)	1545	-9	-16
Southern	15	1527	No Sale	-27	0	-27 (-1.8%)	1500	-12	-19
Western	15	1653	No Sale	-43	+11	-32 (-1.9%)	1621	-15	-22

Given the week's events in the Middle East, it was not surprising that the market continued its roller coaster ride. But, it was to a lesser extent than has occurred over the last two months. The market finished on a steadier note on Thursday when the EMI moved up by 1¢ and the WMI moved up by 11¢ when the Fremantle sale closed later in the day.

The falls were least at the fine end and progressively increased over the Merino micron ranges.

Crossbreds moved down at 26 microns, but moved up at 28 and 30 microns.

The US Exchange Rate finished 0.39¢ (0.6%) higher to close at 67.85¢ on Thursday.

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

In other countries, the South African Cape Wools Indicator was down by 0.4% since last week against a 1.9% appreciation of the Rand against the US Dollar and a 5.2% depreciation against the Euro.

Looking ahead, offerings for the coming three sales are expected to range from 24,796 bales to 38,978 bales and to be 5.6% less than in the same period last year. The forecast progressive difference to Week 19 is -17.0%.

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	109¢	142¢	166¢	187¢	256¢

Market Indicator	Changes From			
	Four Sales Ago Week 12	Start of the Season	Week 16 Last Year	Season Average to Week 16 Last Year
Eastern Market Indicator	-25 (-1.6%)	-222 (-12.8%)	-453 (-23.0%)	-486 (-23.9%)
Western Market Indicator	-22 (-1.3%)	-260 (-13.8%)	-473 (-22.6%)	-539 (-24.6%)

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 ¢	-11	-11	-7	-18	-28	-29	-34	-38	-36	-41		
Change %	-0.6%	-0.6%	-0.4%	-1.0%	-1.5%	-1.6%	-1.9%	-2.2%	-2.1%	-2.4%		
Since Start of the Season												
Change ¢	-215	-253	-260	-272	-264	-278	-296	-318	-321	-337		
Change %	-9.9%	-11.8%	-12.2%	-12.8%	-12.9%	-13.6%	-14.6%	-15.7%	-15.9%	-16.6%		
Since Same Week Last Year												
Change ¢	-847	-831	-755	-665	-586	-554	-534	-521	-496	-501		
Change %	-30.3%	-30.5%	-28.8%	-26.5%	-24.7%	-24.0%	-23.5%	-23.4%	-22.6%	-22.8%		

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 ¢		-55	+83	+70	-7	-5
Change %		-4.6%	+8.7%	+9.7%	-1.5%	-0.5%
Since Start of the Season						
Change ¢		-208	-10	-56	-120	+21
Change %		-15.5%	-1.0%	-6.6%	-20.4%	+2.1%
Since Same Week Last Year						
Change ¢		-183	+166	+62	-9	-289
Change %		-13.9%	+19.1%	+8.5%	-1.9%	-22.3%

MC Average Merino Cardings Price Guide

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For further information

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Week Ending 18 October 2019 (Week 16)

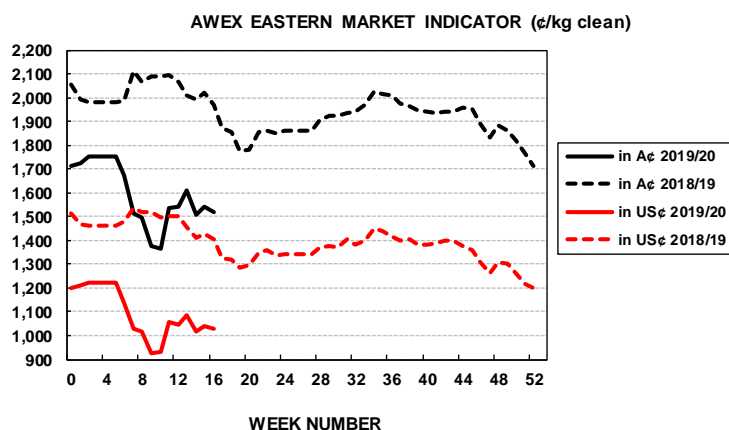
The following tables show the details of this week's sale offering; the expected offerings over the next three sales; the changes in Exchange Rates since the previous sale; and highlights from the August ABS export data.

Details of this Week's Offering and the Comparison with the Previous Sale's Offering							Progressive Changes from Last Year		
Centre	Last Sale	This Sale					All Bales		1 st Time Bales
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re-Offered	Bales Sold	Bales	%	%
North	6,753	10,143	11.1%	9.7%	9.6%	9,014	-27,706	-18.6%	-23.1%
South	15,151	17,620	15.8%	11.9%	11.9%	14,833	-58,505	-23.3%	-28.4%
West	6,245	7,588	19.7%	7.5%	21.2%	6,093	-7,152	-8.6%	-18.7%
Australia	28,149	35,351	15.3%	10.3%	13.3%	29,940	-93,363	-19.3%	-25.1%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 17	Week 18	Week 19	Differences
North	5,425	9,180	8,170	-12.3%
South	19,371	22,198	15,336	+3.4%
West	8,066	7,600	7,800	+19.4%
New Zealand				
Australia	24,796	38,978	31,306	95,080
Differences	-25.7%	+11.0%	-2.7%	-5.6%

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	67.46	+0.31	+0.11	-0.15	-0.40	+0.52	+0.39 (+0.6%)	67.85	67.17	70.36
Euro	61.41	+0.10	+0.02	-0.11	-0.38	+0.22	-0.15 (-0.2%)	61.26	60.42	62.48

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change	
	August 2019	July to August 2019/20	July to August 2018/19	By Weight	By Value
China	72.3%	74.7%	73.2%	-13.3%	-25.8%
Italy	7.1%	7.6%	6.3%	+2.3%	-12.8%
India	8.2%	5.7%	6.9%	-29.6%	-36.6%
Czech Republic	4.0%	3.5%	3.7%	-20.1%	-35.3%
Korea	2.9%	2.4%	3.7%	-44.1%	-52.6%
Egypt	1.8%	1.6%	0.9%	+44.6%	+23.7%
Thailand	1.0%	0.7%	1.3%	-50.2%	-58.2%
Bulgaria	0.2%	0.6%	0.1%	+734.3%	+1,038.2%
Change all Countries				-15.1%	-27.1%



AVERAGE EMI	
This Year	1551
Last Year	1939
2017/18	1739
2016/17	1408
2015/16	1254

SEASON AVERAGES		
Region	This Year	Diff
North	1576	-406
South	1535	-378
West	1648	-441

THIS YEAR'S EMI	
This Week	1517
First Week	1723
Low (10/01)	1365
High (11/01)	1754

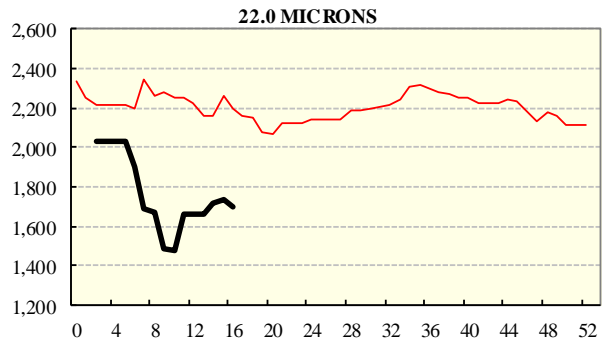
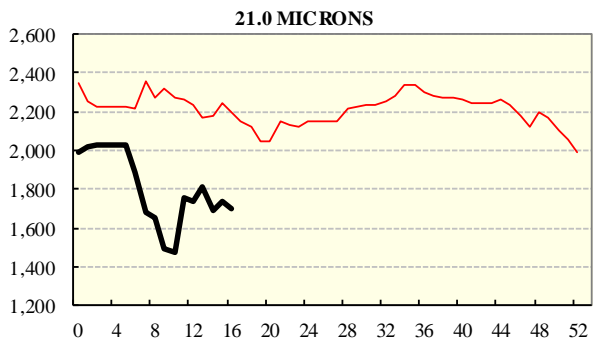
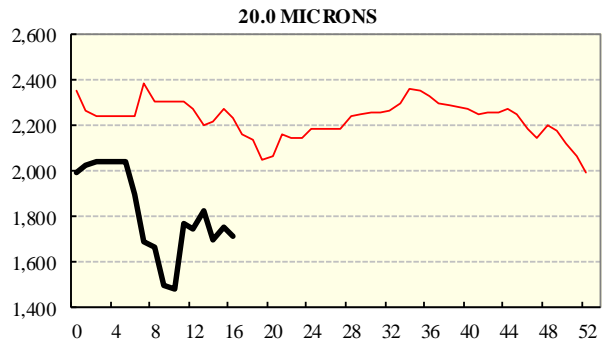
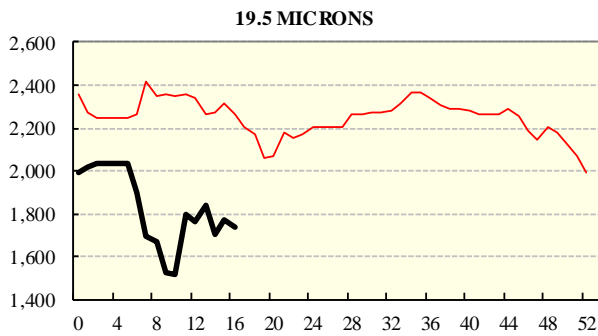
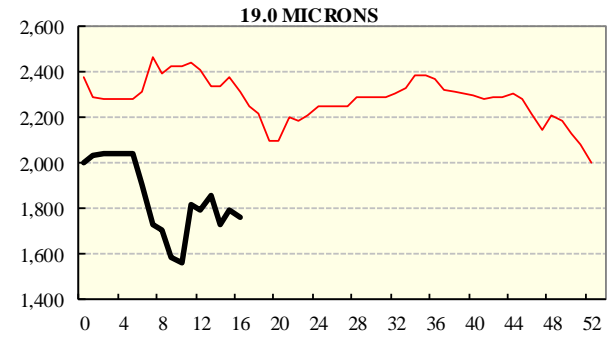
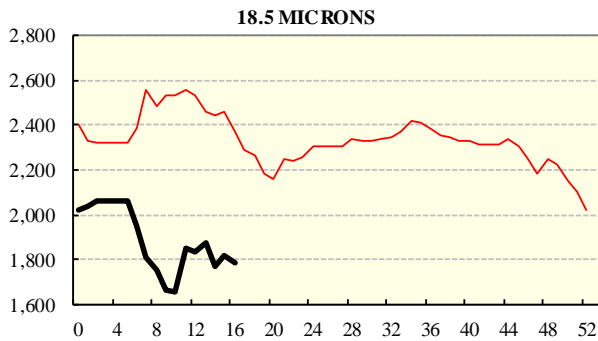
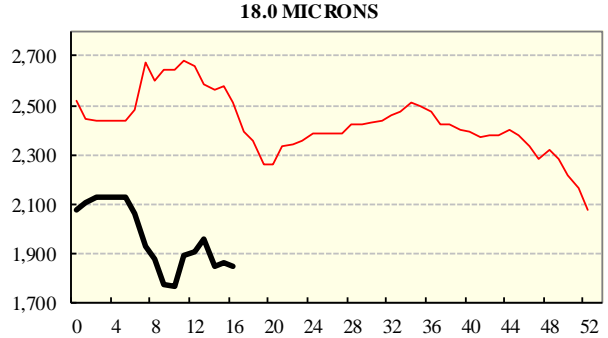
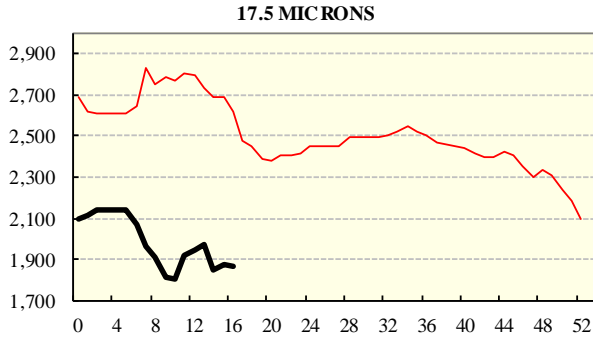
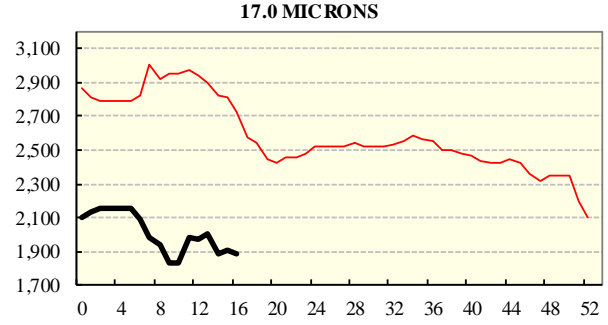
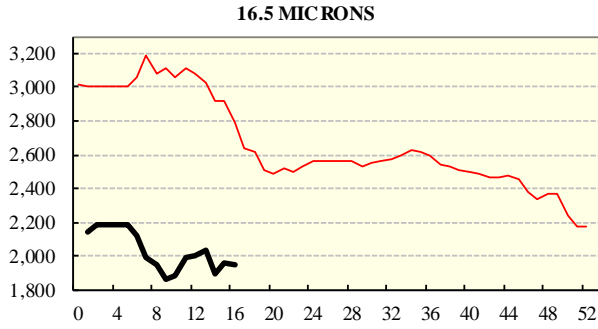
COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1545	-214
South	1500	-225
West	1621	-260

BALES OFFERED	
This Year	389,239
Last Year	482,602
Difference	-93,363
% Diff	-19.3%
FIRST OFFERED BALES	
Difference	-25.1%
% of Offering	88.8%

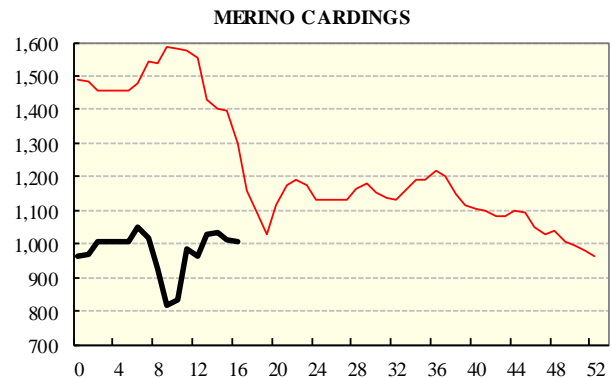
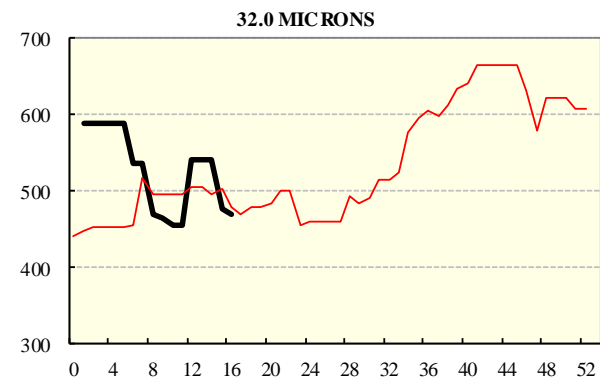
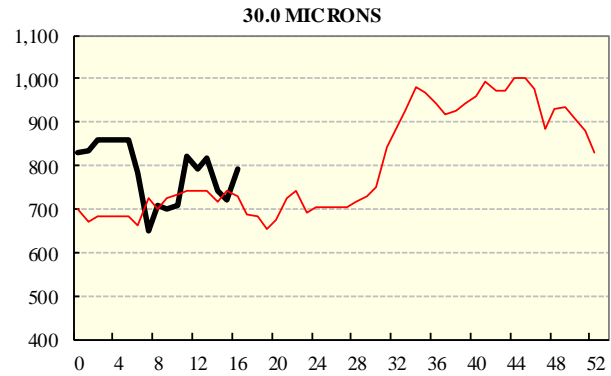
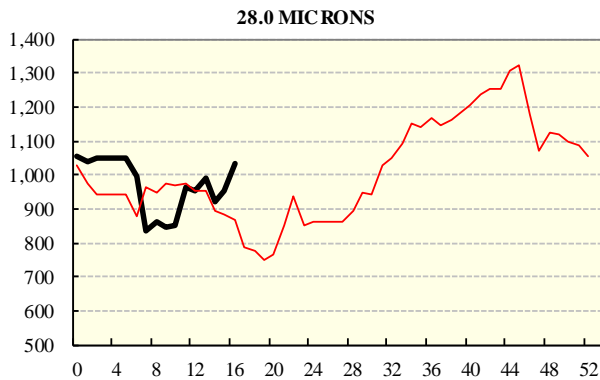
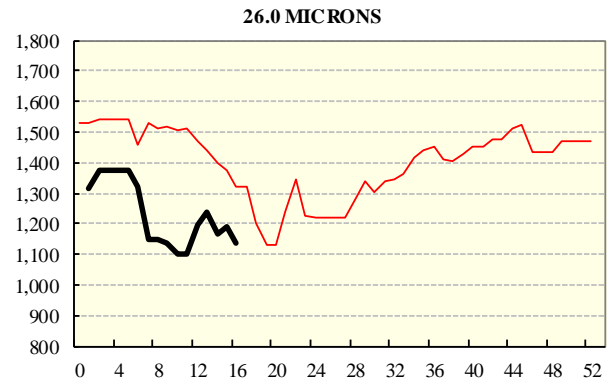
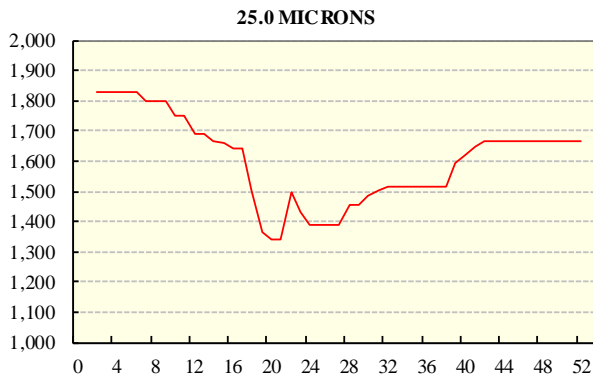
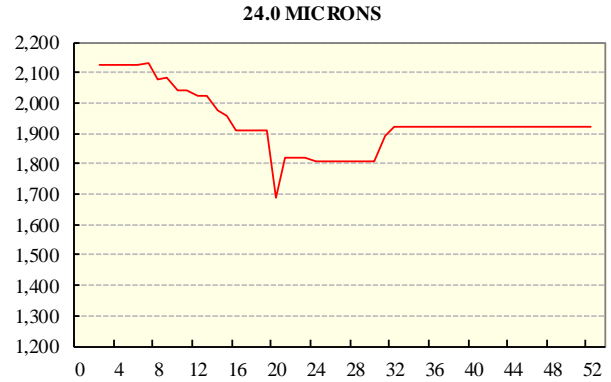
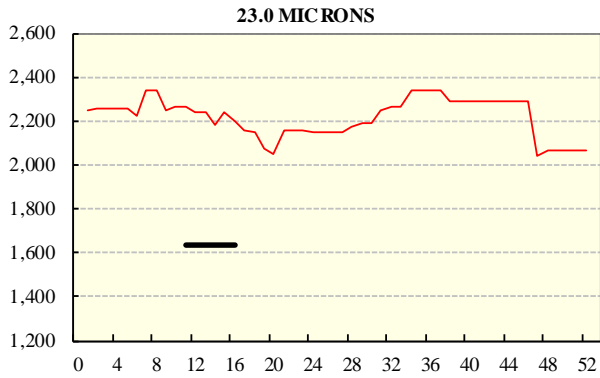
REGION BALES		
This Sale:		
North	10,143	
South	17,620	
West	7,588	
Progressive Totals:		
North	121,156	-18.6%
South	192,437	-23.3%
West	75,646	-8.6%

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)

