

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW

Week Ending 20 March 2020 (Week 38)

The economic impact of COVID-19 on the wool industry was felt at sales this week when the AWEX EMI fell by 181¢ (-18.4%) in US currency.

Prices in Australian currency were buffered by the 13.7% fall in the US Exchange rate to 55.71¢, which restricted the fall in the EMI in Australian currency to 83¢ (-5.5%). The closing EMI in Australian currency was 1438¢.

The greatest falls occurred on Tuesday / Wednesday, before settling to some extent on Thursday.

41,986 bales were on offer nationally, compared with 43,579 bales last sale.

26.5% of the offering was passed in after 15.8% of the potential offering; and a combined 47.7% of the Merino fleece was withdrawn prior to sale, or was passed-in.

AWEX reports that the value of the 30,871 bales sold was \$46.6 million (\$1,510 per bale), taking the season total to \$1.564 billion (\$1,700 per bale). The number of bales sold at auction this season is now 18.5% less than in 2018/21.

Centre	Last Sale		Day-to-Day Changes (Week 38)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	37	1521	-19	-52	-12	-83 (-5.5%)	1438	-181	-134
Northern	37	1557	No Sale	-74	-14	-88 (-5.7%)	1469	-187	-139
Southern	37	1498	-31	-37	-12	-80 (-5.3%)	1418	-177	-131
Western	37	1616	No Sale	-91	+13	-78 (-4.8%)	1538	-186	-138

Falls in the AWEX Merino MPGs ranged from -7.7% to -5.3%, with the greatest falls from 17.5 to 18 microns. Crossbreds had a better week than the Merinos.

As mentioned above, the US Exchange Rate finished 8.86¢ (-13.7%) lower to close at 55.71¢ on Thursday.

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

It is very difficult to forecast what lies ahead. But, in terms of the offerings the coming three sales are expected to range from 36,106 bales to 49,464 bales and to be 12.2% more than in the same period last year. The forecast progressive difference to Week 41 is -9.3%.

In other countries, the South African Cape Wools Indicator was down by 12.5% since last week against a 5.6% depreciation of the Rand against the US Dollar and a 1.7% depreciation against the Euro.

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				
South	20¢	114¢	147¢	205¢	312¢

Market Indicator	Changes From			
	Four Sales Ago Week 33	Start of the Season	Week 38 Last Year	Season Average to Week 38 Last Year
Eastern Market Indicator	-130 (-8.3%)	-301 (-17.3%)	-525 (-26.7%)	-412 (-21.0%)
Western Market Indicator	-129 (-7.7%)	-343 (-18.2%)	-566 (-26.9%)	-460 (-21.8%)

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 ¢	-114	-143	-146	-133	-109	-99	-101	-98	-91	-111		
Change %	-5.5%	-7.2%	-7.6%	-7.1%	-6.1%	-5.6%	-5.7%	-5.6%	-5.3%	-6.3%		
Since Start of the Season												
Change ¢	-207	-296	-345	-381	-382	-373	-374	-384	-386	-391		
Change %	-9.6%	-13.8%	-16.2%	-18.0%	-18.6%	-18.3%	-18.4%	-18.9%	-19.1%	-19.2%		
Since Same Week Last Year												
Change ¢	-576	-650	-679	-684	-672	-650	-636	-641	-639	-623		
Change %	-22.7%	-26.0%	-27.6%	-28.3%	-28.7%	-28.1%	-27.7%	-28.1%	-28.1%	-27.5%		

Micron	25.0	26.0	28.0	30.0	32.0	MC	
Since Last Sale							
Change ¢			-36	-7	+9	+10	-69
Change %			-3.2%	-0.8%	+1.4%	+2.4%	-6.4%
Since Start of the Season							
Change ¢			-249	-174	-177	-168	+17
Change %			-18.5%	-16.7%	-20.9%	-28.5%	+1.7%
Since Same Week Last Year							
Change ¢			-312	-291	-254	-192	-146
Change %			-22.2%	-25.0%	-27.5%	-31.3%	-12.7%

MC Average Merino Cardings Price Guide

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AWIS WOOL MARKET REVIEW Week Ending 20 March 2020 (Week 38)

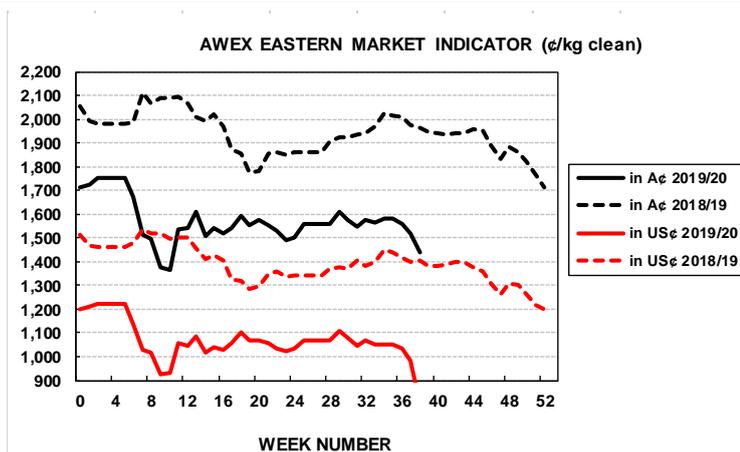
The following tables show the details of this week's sale offering; the expected offerings over the next three sales; the changes in Exchange Rates since the previous sale; and highlights from the January ABS export data.

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	8,864	8,792	21.2%	7.0%	21.7%	6,927	-37,833	-11.3%	-15.3%
South	23,204	25,128	25.9%	12.2%	16.1%	18,627	-91,383	-13.9%	-17.3%
West	11,511	8,066	34.1%	31.6%	23.6%	5,317	-10,094	-4.0%	-9.9%
Australia	43,579	41,986	26.5%	15.8%	18.7%	30,871	-139,310	-11.2%	-15.3%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 39	Week 40	Week 41	Differences
North	9,036	7,086	8,765	-0.6%
South	29,043	19,670	22,440	+17.4%
West	11,385	9,350	9,330	+12.5%
New Zealand				
Australia	49,464	36,106	40,535	126,105
Differences	+32.2%	-3.6%	+8.0%	+12.2%

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	64.57	-1.50	-1.31	-0.55	-1.03	-4.47	-8.86 (-13.7%)	55.71	55.71	70.36
Euro	57.16	-0.95	-0.74	-0.72	-0.19	-3.44	-6.04 (-10.6%)	51.12	51.12	62.48

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to January	
	January 2020	July to January 2019/20	July to January 2018/21	By Weight	By Value
China	79.3%	77.1%	74.9%	-11.4%	-30.5%
India	5.9%	6.1%	6.4%	-17.7%	-33.8%
Italy	3.2%	5.5%	6.1%	-22.3%	-39.1%
Czech Republic	3.6%	3.2%	3.9%	-30.1%	-49.2%
Korea	2.2%	2.1%	2.7%	-32.4%	-44.4%
Egypt	0.6%	1.2%	0.9%	+13.2%	-11.4%
Thailand	0.4%	0.9%	1.0%	-26.1%	-48.6%
Bulgaria	0.9%	0.7%	0.4%	+30.4%	+35.2%
Change all Countries				-13.9%	-32.6%



AVERAGE EMI	
This Year	1550
Last Year	1939
2017/18	1739
2016/17	1408
2015/16	1254

SEASON AVERAGES		
Region	This Year	Diff
North	1581	-401
South	1530	-383
West	1654	-435

THIS YEAR'S EMI	
This Week	1438
First Week	1723
Low (10/01)	1365
High (11/01)	1754

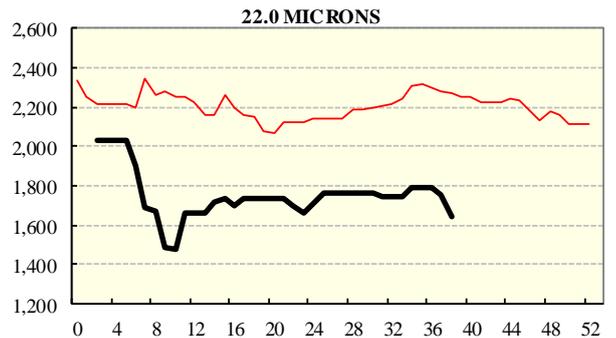
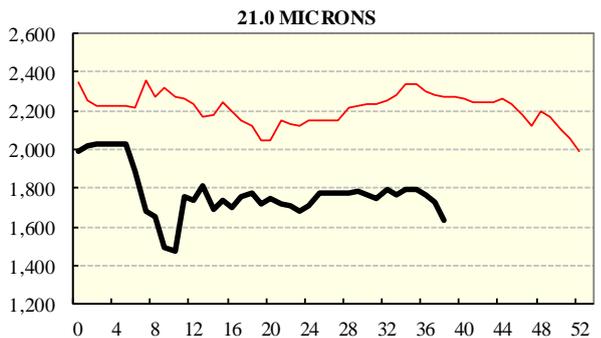
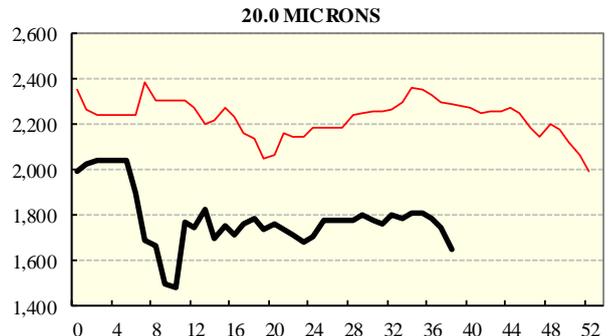
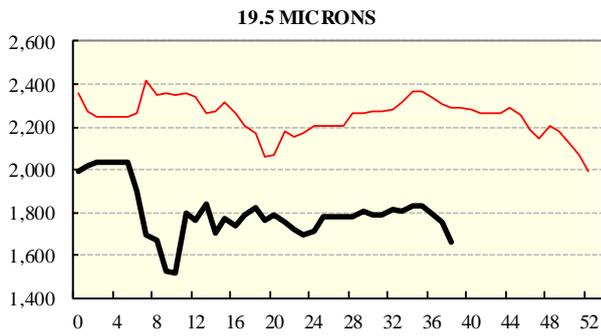
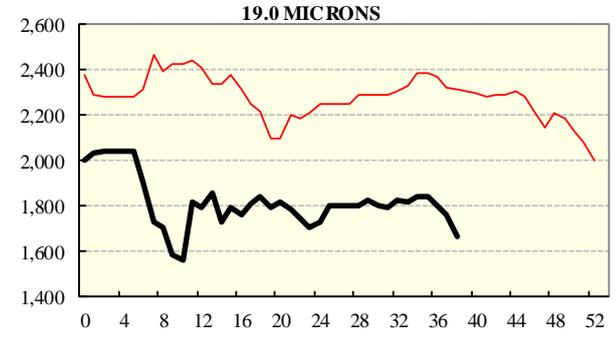
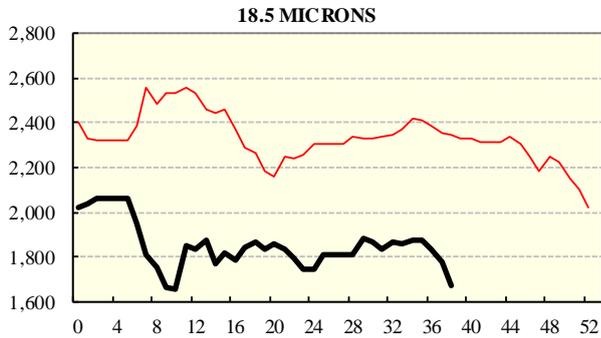
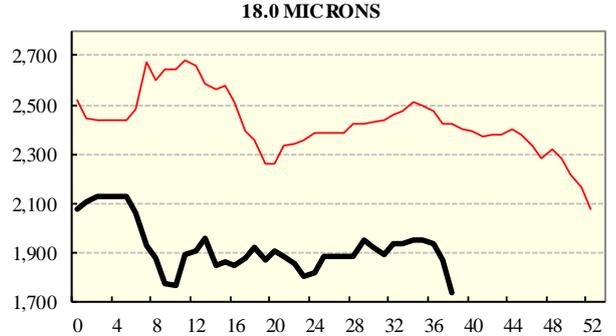
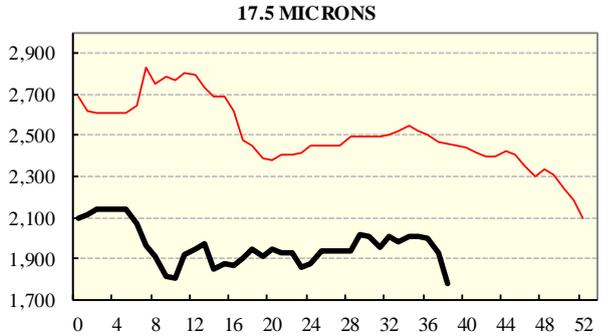
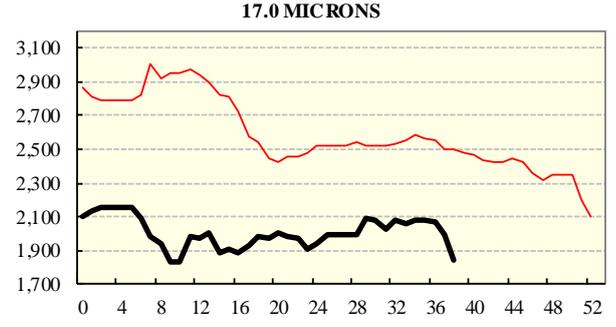
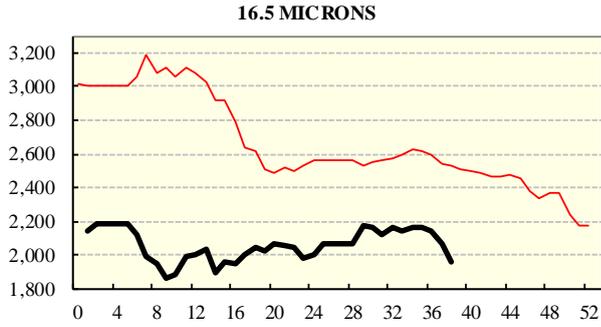
COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1469	-290
South	1418	-307
West	1538	-343

BALES OFFERED	
This Year	1,105,899
Last Year	1,245,209
Difference	-139,310
% Diff	-11.2%
FIRST OFFERED BALES	
Difference	-15.3%
% of Offering	89.6%

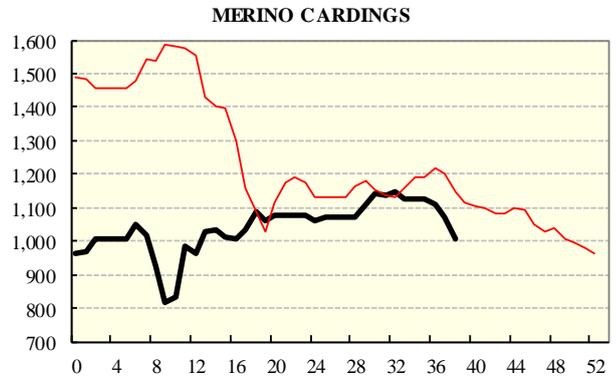
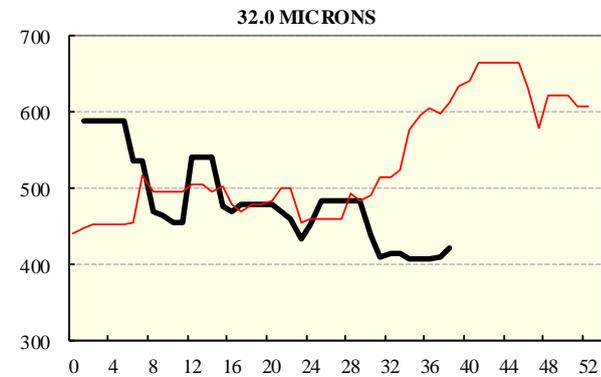
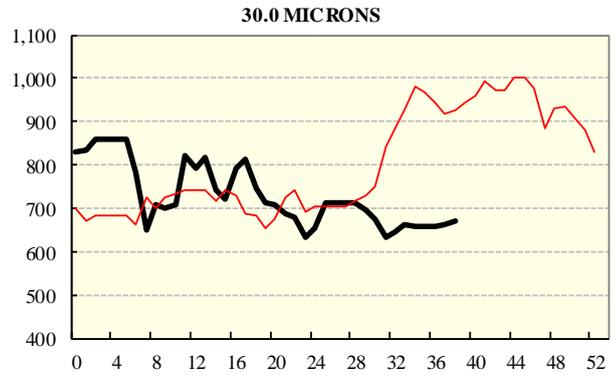
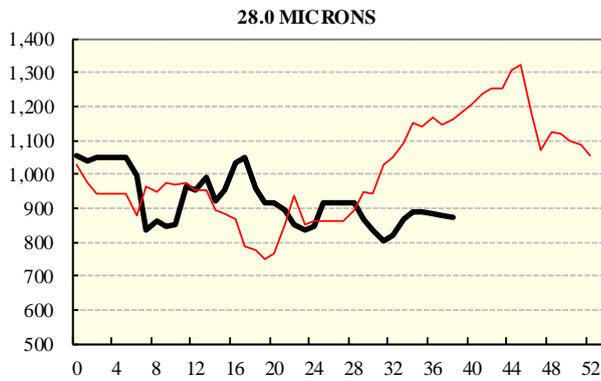
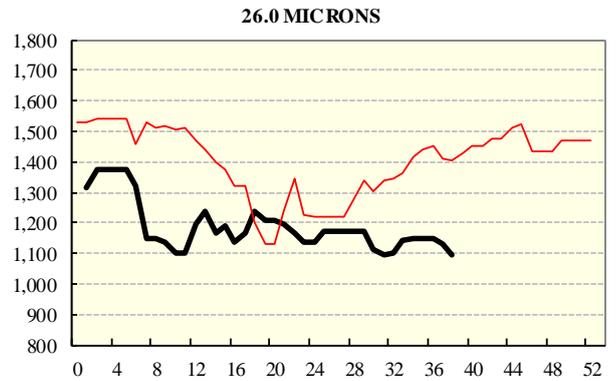
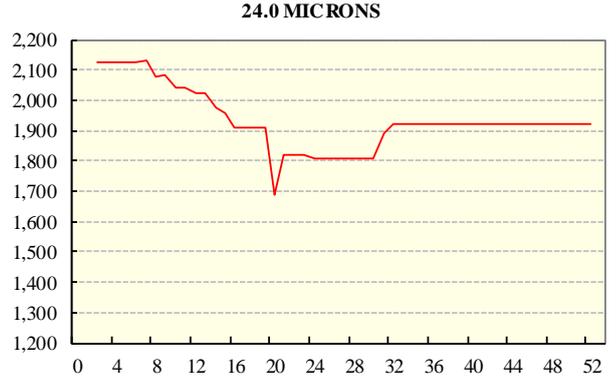
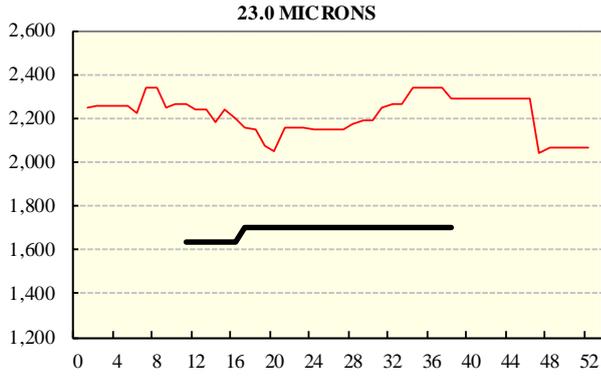
REGION BALES		
This Sale:		
North	8,792	
South	25,128	
West	8,066	
Progressive Totals:		Diff
North	297,953	-11.3%
South	566,336	-13.9%
West	241,610	-4.0%

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)

