

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW

Week Ending 21 June 2019 (Week 51)

The AWEX EMI finished at 1766¢, 57¢ lower (-3.1%) in Australian currency and 42¢ lower (-3.3%) in US currency at sales in Sydney and Melbourne this week.

It was the lowest closing value for the EMI this season; and the lowest since a value of 1751¢ in March last year.

It was also the smallest offering for the season. 19,072 bales were on offer nationally, compared with 28,140 bales last sale.

Growers were more willing to sell, with 12.8% of the offering was passed in, compared with 21.3% in the previous week.

AWEX reports that the value of the wool sold was \$30.2 million (\$1,816 per bale), taking the season total to \$3.133 billion (\$2,149 per bale).

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 51)									
Centre	Last Sale		Day-to-Day Changes (Week 51)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	50	1823	No Sale	-52	-5	-57 (-3.1%)	1766	-42	-34
Northern	50	1842	No Sale	-50	-3	-53 (-2.9%)	1789	-39	-32
Southern	50	1810	No Sale	-52	-7	-59 (-3.3%)	1751	-44	-35
Western	50	1937	No Sale	No Sale	No Sale				

The market continued to fall as demand was again low in the wake of the global economic uncertainty that began with the US / China trade wars; and has escalated following the increasing US / Iran tensions and the announcement earlier in the week of India's imposition of higher tariffs on 28 US goods.

The market fell sharply on Wednesday (EMI- 52¢); but settled on Thursday (-5¢), when led by the better wools.

The US Exchange Rate came under pressure with speculation about a further cut in interest rates and the introduction of "quantitative easing (but since refuted by the Governor of the Reserve Bank of Australia) .The Exchange Rate closed 0.18¢ (-0.3%) lower to close at 68.95¢ on Thursday.

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

There is no news yet of China lifting its ban on South African greasy wool. The South African Cape Wools Indicator was unchanged since last week against a 0.6% appreciation of the Rand against the US Dollar.

Looking ahead, offerings for the coming three sales are expected to range from 30,872 bales to 35,565 bales and to be 12.5% less than in the same period last year. The forecast progressive difference to Week 52 is -12.2%, which is close to the current wool production forecast of -12.6%.

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	No 22.0µ MPG	No 22.0µ MPG	No 22.0µ MPG	No 22.0µ MPG	No 22.0µ MPG

Market Indicator	Changes From			
	Four Sales Ago Week 47	Start of the Season	Week 51 Last Year	Season Average to Week 51 Last Year
Eastern Market Indicator	-67 (-3.7%)	-222 (-11.2%)	-307 (-14.8%)	+212 (+12.2%)
Western Market Indicator	No Sale	No Sale	No Sale	No Sale

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 ¢	-60		-46	-53	-48	-48	-57	-54	-49			
Change %	-2.7%		-2.1%	-2.4%	-2.2%	-2.3%	-2.7%	-2.5%	-2.3%			
Since Start of the Season												
Change ¢	-829	-603	-423	-278	-228	-201	-194	-189	-184			
Change %	-27.6%	-21.6%	-16.2%	-11.4%	-9.8%	-8.8%	-8.6%	-8.4%	-8.2%			
Since Same Week Last Year												
Change ¢	-877	-691	-525	-385	-321	-298	-305	-296	-272			
Change %	-28.7%	-23.9%	-19.3%	-15.1%	-13.3%	-12.5%	-12.9%	-12.5%	-11.7%			

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 ¢			-10	-29	-15	-17
Change %			-0.9%	-3.2%	-2.4%	-1.7%
Since Start of the Season						
Change ¢			+128	+204	+157	-491
Change %			+13.3%	+30.1%	+34.8%	-33.4%
Since Same Week Last Year						
Change ¢			+37	+177	+163	-523
Change %			+3.5%	+25.1%	+36.6%	-34.8%

Average Merino Cardings Price Guide

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AWIS WOOL MARKET REVIEW Week Ending 21 June 2019 (Week 51)

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 April ABS export data.

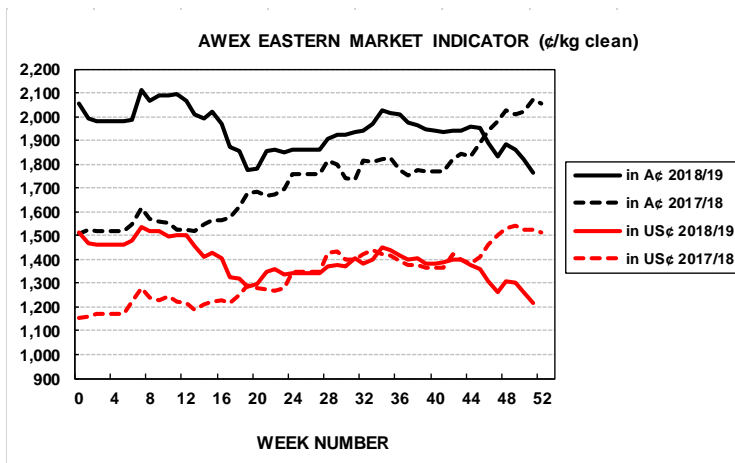
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re-Offered	Bales Sold
North	7,923	8,098	12.0%	2.8%	10.0%	7,123
South	14,256	10,974	13.3%	4.8%	13.1%	9,511
West	5,961					
Australia	28,140	19,072	12.8%	3.9%	11.8%	16,634

Progressive Changes from Last Year		
All Bales		1 st Time Bales
Bales	%	%
-94,900	-17.8%	-19.2%
-107,731	-11.1%	-13.1%
-23,558	-6.7%	-11.3%
-226,189	-12.2%	-14.5%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 52	Week 01	Week 02	Differences
North	8,073	11,000	10,064	-28.6%
South	15,573	16,200	18,601	-12.6%
West	7,226	8,000	6,900	+24.4%
New Zealand				
Australia	30,872	35,200	35,565	101,637
Differences	-2.9%	-19.8%	-12.3%	-12.5%

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	69.13	-0.15	-0.20	-0.38	+0.38	+0.17	-0.18 (-0.3%)	68.95	68.76	74.41
Euro	61.18	+0.02	+0.12	-0.45	+0.58	-0.25	+0.02 (+0.0%)	61.20	61.17	64.24

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to April	
	April 2019	July to April 2018/19	July to April 2017/20	By Weight	By Value
China	84.6%	77.3%	78.8%	-13.7%	+1.1%
India	4.6%	5.9%	5.4%	-3.9%	+12.9%
Italy	2.7%	5.0%	4.4%	+0.1%	+10.5%
Czech Republic	1.2%	3.6%	5.2%	-38.8%	-26.7%
Korea	2.2%	2.5%	1.5%	+44.6%	+61.2%
Malaysia	0.3%	0.6%	1.0%	-42.3%	-35.1%
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	1944
Last Year	1739
2016/17	1408
2015/16	1254
2014/15	1102

SEASON AVERAGES		
Region	This Year	Diff
North	1987	+175
South	1917	+224
West	2095	+287

THIS YEAR'S EMI	
This Week	1766
First Week	1994
Low (0/01)	1766
High (0/01)	2116

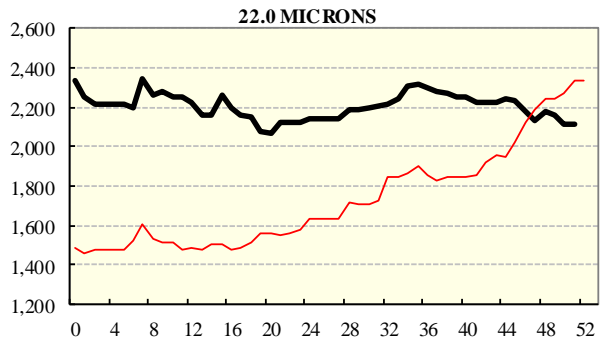
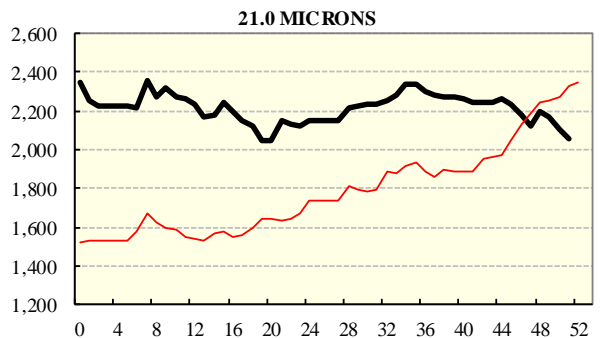
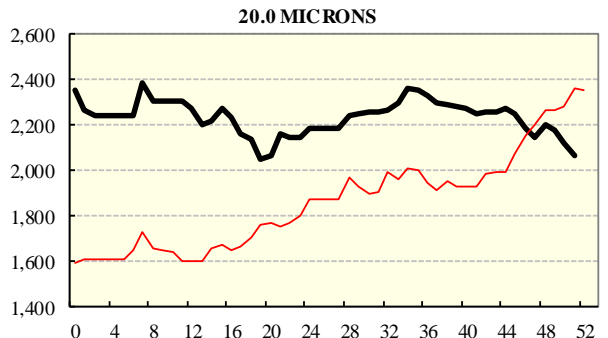
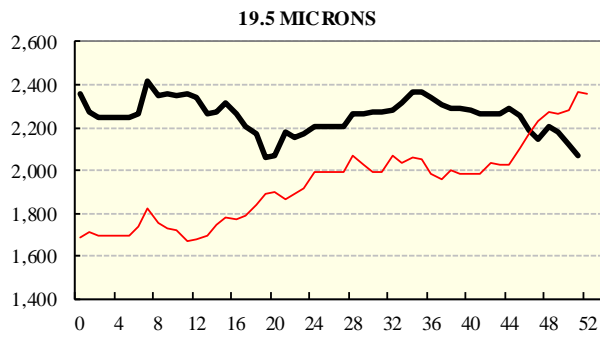
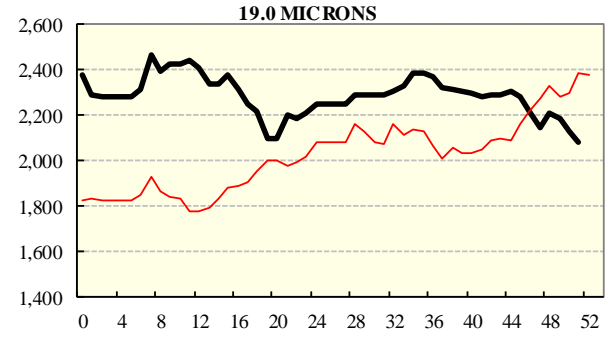
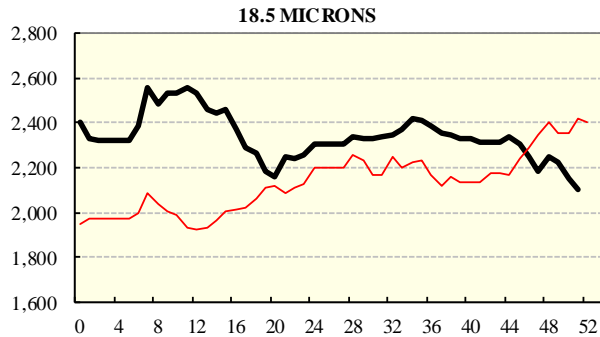
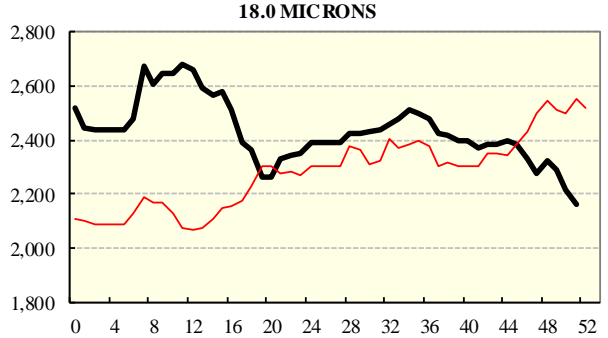
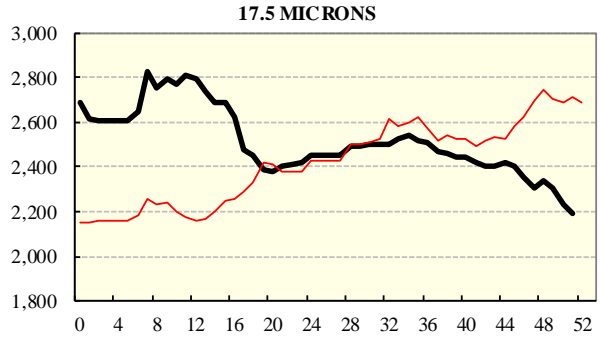
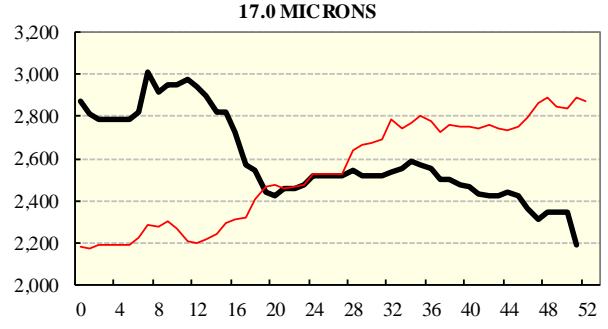
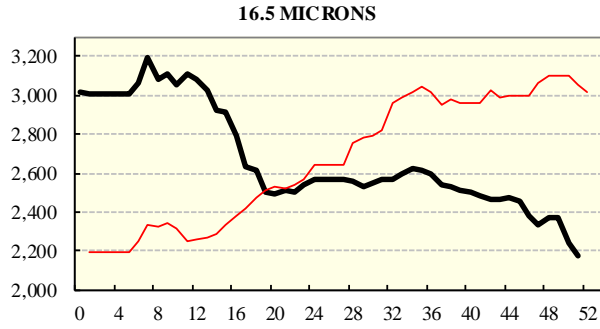
COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1789	-231
South	1751	-217
West	1937	

BALES OFFERED	
This Year	1,628,724
Last Year	1,854,913
Difference	-226,189
% Diff	-12.2%
FIRST OFFERED BALES	
Difference	-14.5%
% of Offering	93.2%

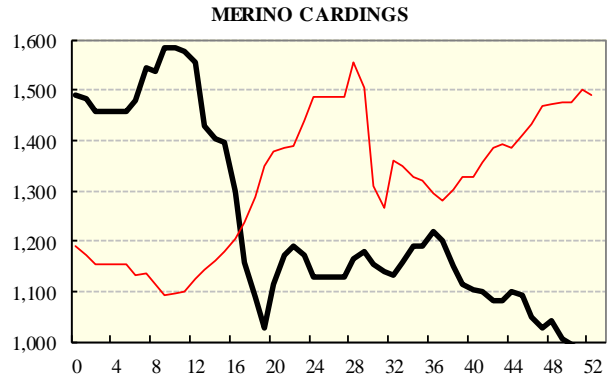
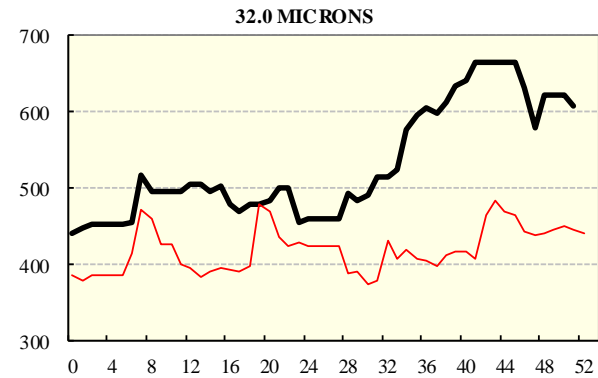
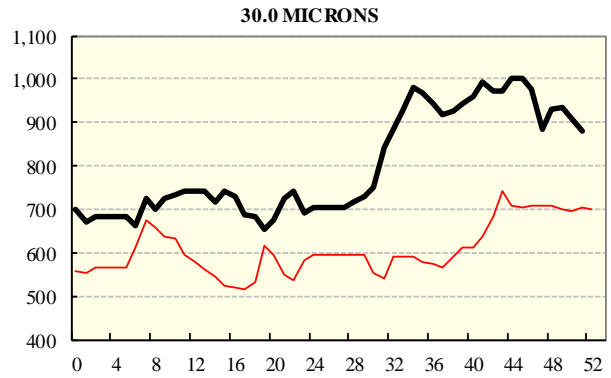
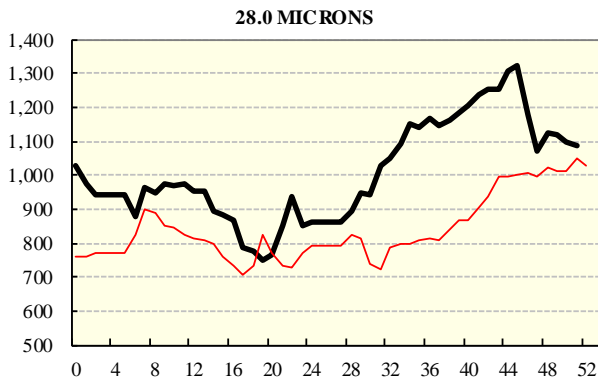
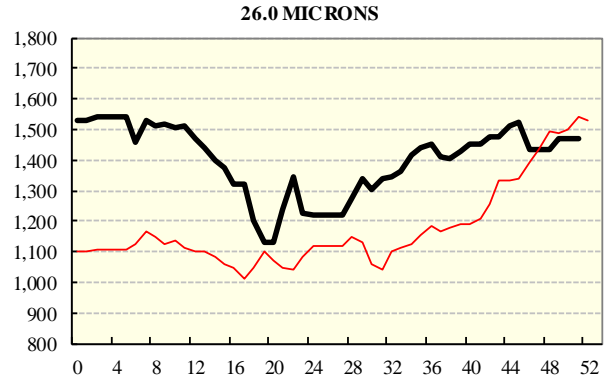
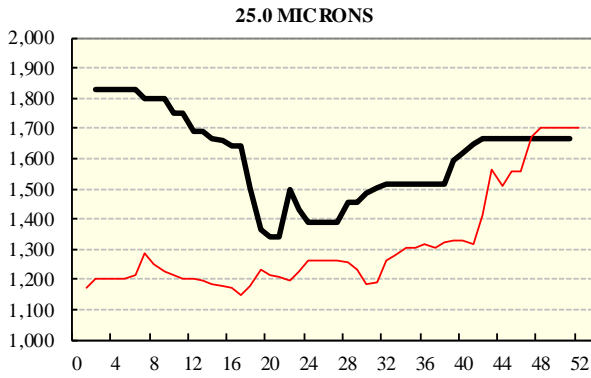
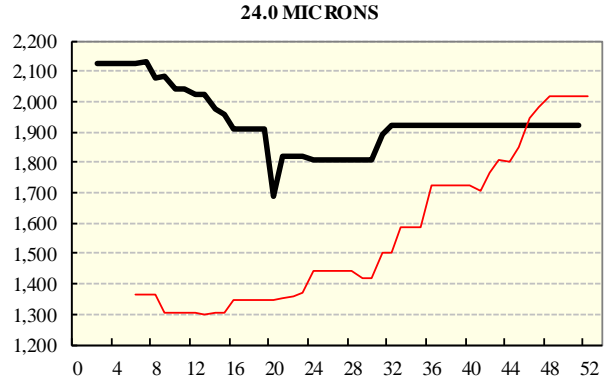
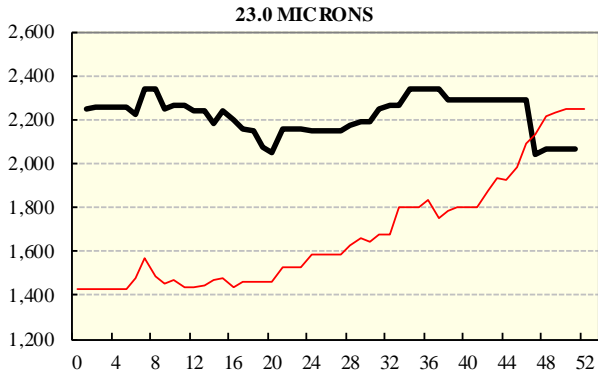
REGION BALES		
This Sale:		
North	8,098	
South	10,974	
West		
Progressive Totals:		Diff
North	437,655	-17.8%
South	864,675	-11.1%
West	326,394	-6.7%

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)

