

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW Week Ending 26 October 2018 (Week 17)

The AWEX EMI finished at 1874¢, 96¢ lower (-4.9%) in Australian currency and 79¢ lower (-5.6%) in US currency at sales in Sydney, Melbourne and Fremantle this week. This took the falls in the EMI over the last two sales to 149¢ (-7.4%) in Australian currency and 105¢ (-7.3%) in US currency.

While the falls over the last two weeks have attracted considerable attention, it needs to be noted that there was a week-to-week rise of 126¢ in the EMI in mid-August; and that the EMI and WMI are still 296¢ (+18.8%) and 399¢ (+24.4%) greater than at the end of Week 17 last year when the EMI was 1578¢.

33,371 bales were on offer nationally, compared with 36,084 bales last sale. 22.6% of the offering was passed in.

AWEX reports that the value of the wool sold was \$55.5 million (\$2,149 per bale), taking the season total to \$1.1 million (\$2,360 per bale).

The New Zealand Merino Company also offered 1,151 bales in Melbourne on Thursday, of which 53.6% were passed in.

Centre	Last Sale		Day-to-Day Changes (Week 17)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	16	1970	No Sale	-72	-24	-96 (-4.9%)	1874	-79	-60
Northern	16	2021	No Sale	-73	-34	-107 (-5.3%)	1914	-86	-66
Southern	16	1938	No Sale	-72	-17	-89 (-4.6%)	1849	-73	-55
Western	16	2094	No Sale	-53	-8	-61 (-2.9%)	2033	-54	-37

There were falls across all micron ranges and wool types. The falls were again greatest at the fine end of the Merinos, at the coarse end of the crossbreds (apart from at 32 microns this week) and among the oddments. Falls among the Merinos became smaller as the diameter increased, as was the case last week.

The average Merino Cardings Price Guide fell by 138¢ (-10.6%) on top of last week's fall of 100¢.

The US Exchange Rate finished 0.54¢ (-0.8%) lower to close at 70.77¢ on Thursday.

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

Looking ahead, offerings for the coming three sales are expected to range from 34,300 bales to 40,300 bales; and to be 18.8% less than in the same period last year. The forecast progressive difference to Week 20 is -14.9%.

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	113¢	217¢	286¢	401¢	443¢

Market Indicator	Four Sales Ago Week 13	Changes From		
		Start of the Season	Week 17 Last Year	Season Average to Week 17 Last Year
Eastern Market Indicator	-139 (-6.9%)	-114 (-5.7%)	+296 (+18.8%)	+474 (+30.5%)
Western Market Indicator	-108 (-5.0%)	-109 (-5.1%)	+399 (+24.4%)	+574 (+35.9%)

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 ¢	-160	-148	-145	-120	-81	-68	-66	-69	-46	-38	-43	
Change %	-5.7%	-5.4%	-5.5%	-4.8%	-3.4%	-2.9%	-2.9%	-3.1%	-2.1%	-1.7%	-2.0%	
Since Start of the Season												
Change ¢	-372	-224	-134	-51	-35	-38	-57	-91	-90	-72	-96	
Change %	-12.4%	-8.0%	-5.1%	-2.1%	-1.5%	-1.7%	-2.5%	-4.0%	-4.0%	-3.2%	-4.3%	
Since Same Week Last Year												
Change ¢	+217	+249	+190	+213	+269	+339	+414	+501	+594	+672	+694	
Change %	+9.0%	+10.7%	+8.3%	+9.8%	+13.3%	+17.8%	+23.2%	+30.2%	+38.1%	+45.2%	+47.6%	

Micron	25.0	26.0	28.0	30.0	32.0	MC#
Since Last Sale						
Change ¢			-83	-44	-8	-138
Change %			-9.6%	-6.0%	-1.7%	-10.6%
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 August ABS export data.

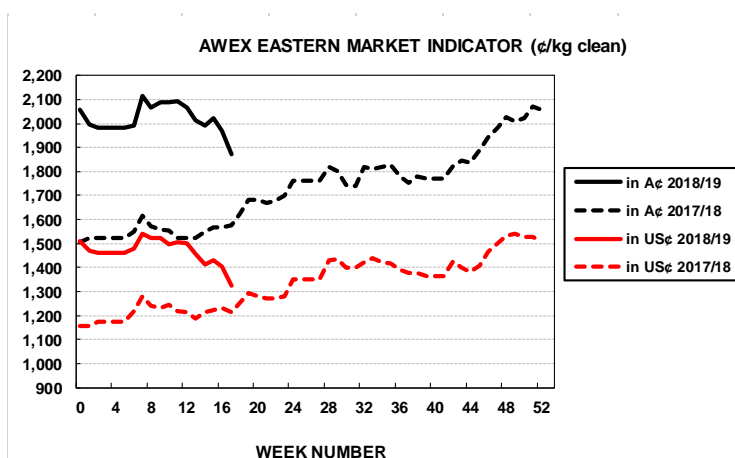
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re- Offered	Bales Sold
North	8,342	8,338	22.5%	3.7%	5.0%	6,463
South	20,229	18,716	21.1%	6.9%	3.7%	14,773
West	7,513	6,317	27.3%	11.6%	6.1%	4,590
Australia	36,084	33,371	22.6%	7.1%	4.5%	25,826

Actual and % Changes in the Progressive Offerings from Last Year	
-31,965	-16.9%
-34,691	-11.4%
-17,542	-16.4%
-84,198	-14.0%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 18	Week 19	Week 20	Differences
North	9,731	9,045	10,070	-20.3%
South	22,145	17,801	21,160	-18.5%
West	8,475	7,450	7,450	-17.8%
New Zealand	690			
Australia	40,351	34,296	38,680	113,327
Differences	-11.4%	-21.0%	-23.6%	-18.8%

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	71.31	-0.22	-0.02	-0.44	+0.41	-0.27	-0.54 (-0.8%)	70.77	70.72	74.41
Euro	62.01	+0.03	-0.30	-0.09	+0.29	+0.08	+0.01 (+0.0%)	62.02	61.17	64.08

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to August	
	August 2018	July to August 2018/19	July to August 2017/18	By Weight	By Value
China	78.5%	75.5%	74.7%	-19.8%	+11.1%
India	5.4%	7.2%	7.2%	-21.4%	-2.5%
Italy	4.5%	6.1%	5.2%	-7.6%	+10.3%
Czech Republic	3.8%	3.9%	5.9%	-47.8%	-16.2%
Korea	2.6%	2.1%	1.4%	+17.4%	+45.4%
Malaysia	0.9%	1.1%	1.6%	-47.4%	-39.4%
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	2026
Last Year	1739
2016/17	1408
2015/16	1254
2014/15	1102

SEASON AVERAGES		
Region	This Year	Diff
North	2077	+265
South	1994	+301
West	2175	+368

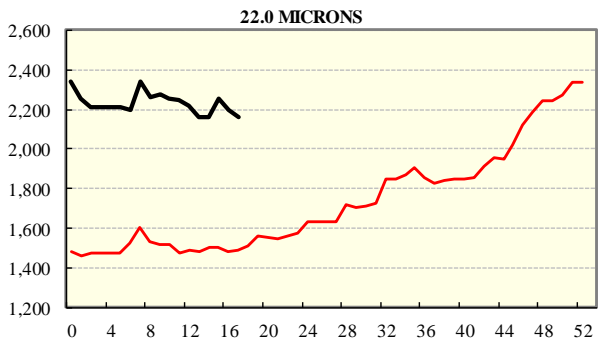
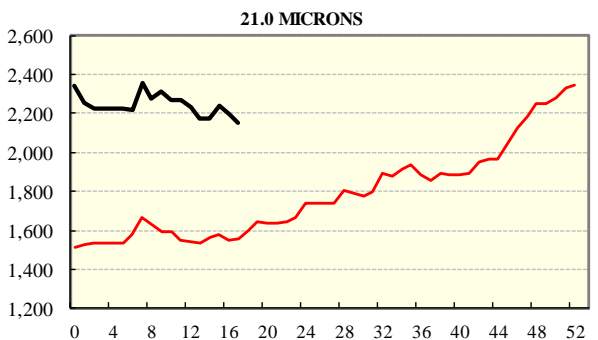
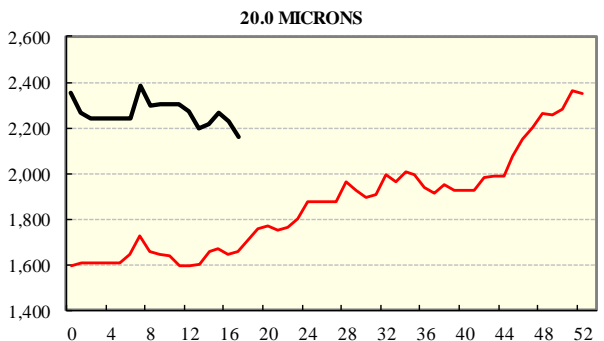
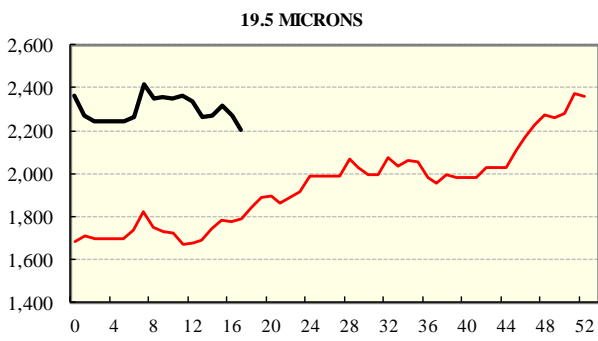
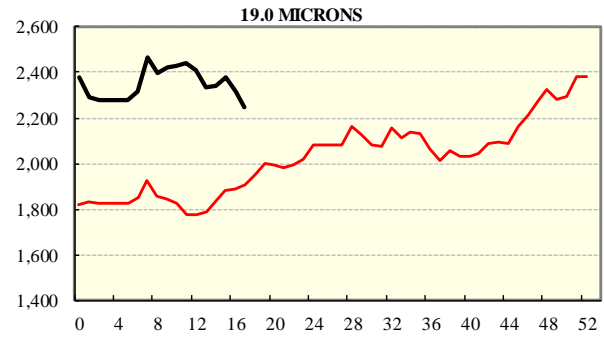
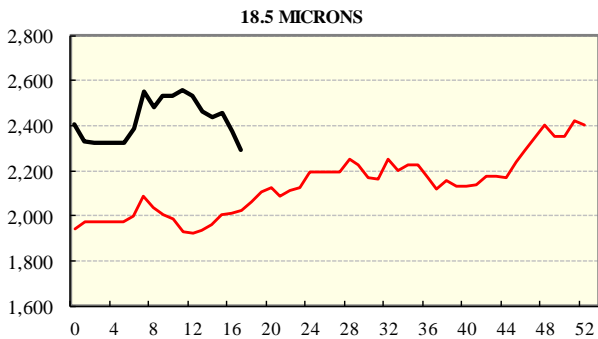
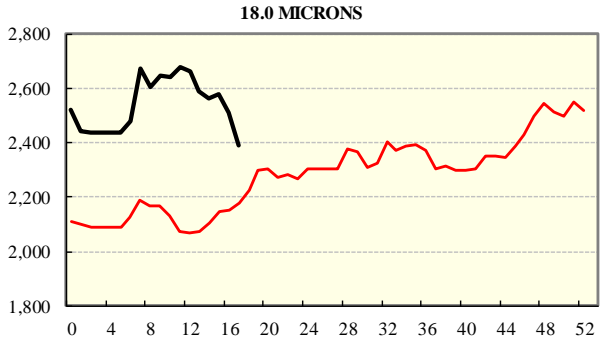
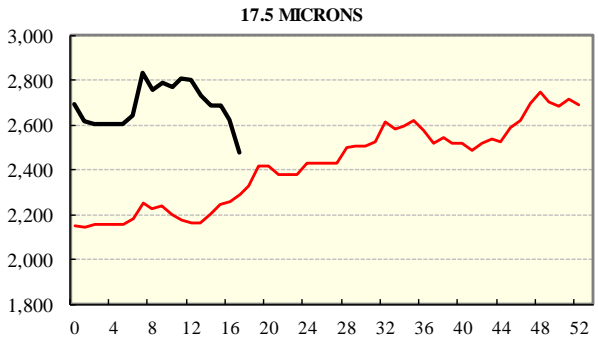
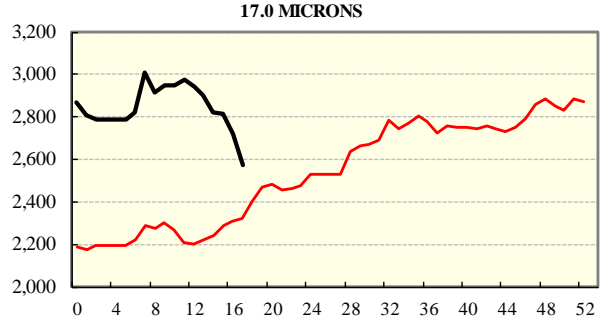
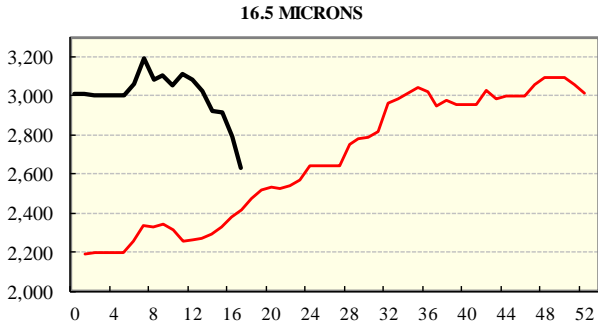
THIS YEAR'S EMI	
This Week	1874
First Week	1994
Low (0/01)	1874
High (0/01)	2116

COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1914	-106
South	1849	-119
West	2033	-109

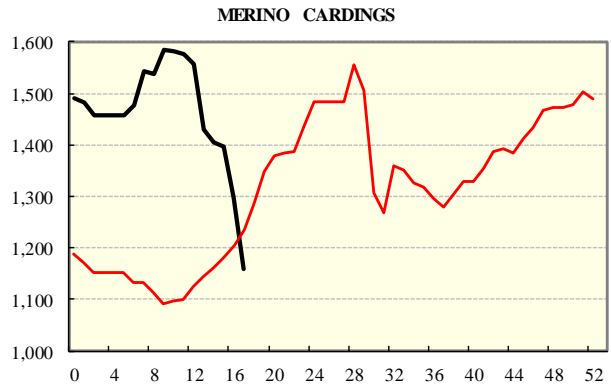
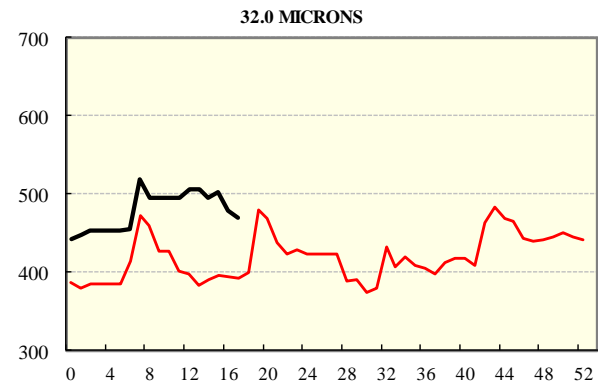
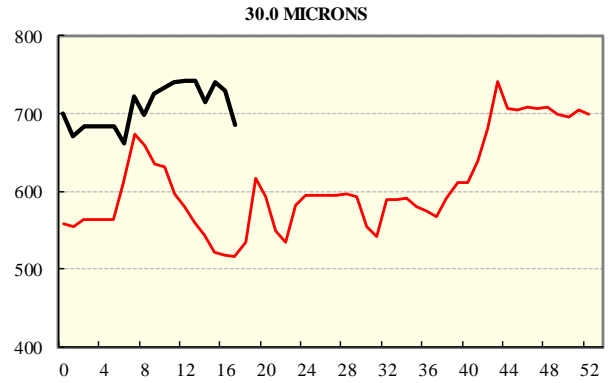
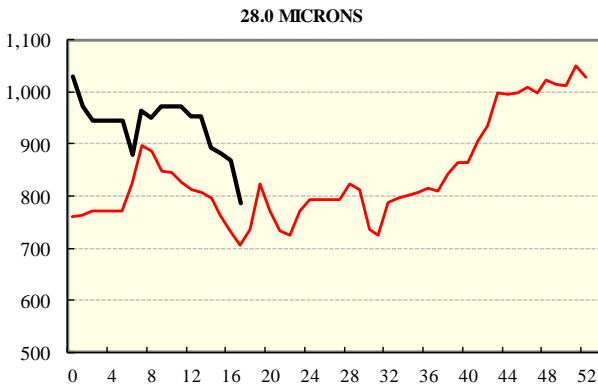
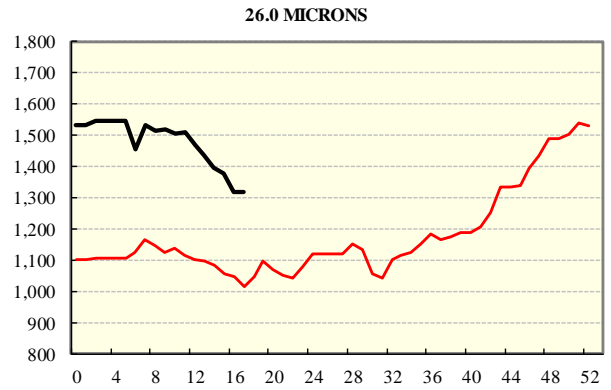
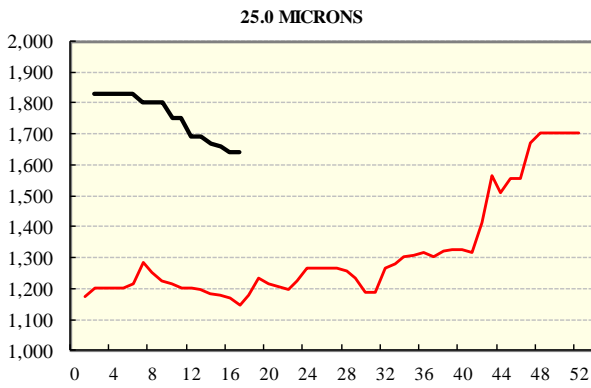
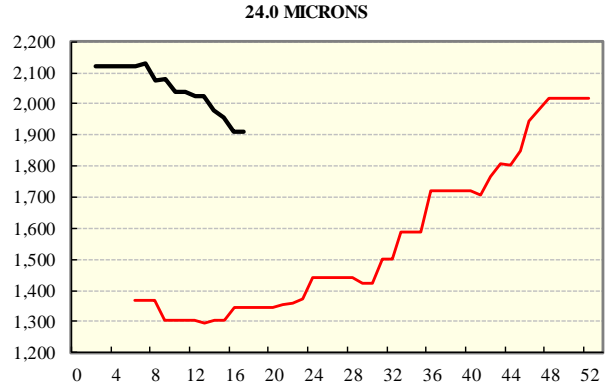
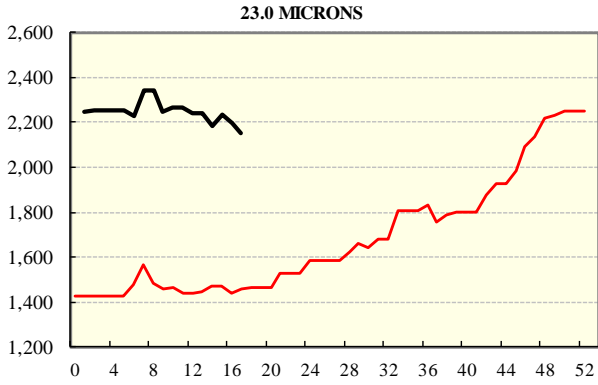
BALES OFFERED	
This Year	515,973
Last Year	600,171
Difference	-84,198
% Diff	-14.0%
FIRST OFFERED BALES	
Difference	-13.4%
% of Offering	95.6%

REGION BALES		
This Sale:		
North	8,338	
South	18,716	
West	6,317	
Progressive Totals:		Diff
North	157,200	-16.9%
South	269,658	-11.4%
West	89,115	-16.4%

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)

