

# AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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## AWIS WOOL MARKET REVIEW

Week Ending 3 April 2020 (Week 40)

It was a very difficult week for wool when the AWEX EMI finished at 1287¢, 155¢ lower (-10.7%) in Australian currency and 67¢ lower (-7.8%) in US currency at sales in Sydney, Melbourne and Fremantle. It was the lowest closing value this season for the EMI in both Australian and US Currencies.

37,713 bales were on offer nationally, compared with 42,934 bales last sale. 44.9% of the offering was passed in after 16.6% of the potential offering was withdrawn prior to sale, leaving 20,782 bales as sold.

AWEX reports that the value of the wool sold was \$28.3 million (\$1,362 per bale), taking the season total to \$1.647 billion (\$1,685 per bale). The number of bales sold at auction this season is now 18.2% less than in 2018/19.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 40)									
Centre	Last Sale		Day-to-Day Changes (Week 40)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	39	1442	-97	-58	No Sale	-155 (-10.7%)	1287	-67	-69
Northern	39	1482	-96	-66	No Sale	-162 (-10.9%)	1320	-71	-72
Southern	39	1416	-97	-53	No Sale	-150 (-10.6%)	1266	-65	-66
Western	39	1512	-101	-58	No Sale	-159 (-10.5%)	1353	-68	-70

All sectors of the market were affected. The greatest falls among the Merinos were 10 to 11% from 18 to 22 microns, while the falls across the crossbreds became greater as the diameter increased. The Pass-In Rate for crossbred wool averaged 50% over both days after reaching 59.7% on Wednesday.

The US Exchange Rate finished 1.93¢ (3.3%) higher to close at 61.24¢ on Wednesday. Although poor demand was the main driver in this week's market, the appreciation of Australian currency exacerbated the downward movement of the EMI in Australian currency. The closing US Exchange Rate has ranged from 66.20¢ at the beginning of March to 55.71¢ in mid-March and back to 61.24¢ this week.

Buyers for China were again more dominant than usual, with the Indian and Italian industries experiencing shut downs due to COVID-19.

Looking ahead, the current offering for the coming sale is listed at 44,216 bales. It remains to be seen whether this will eventuate given the poor demand and the consequent high Withdrawn and Pass-In Rates recorded this week.

Sales continue the shut down since mid-March in South Africa and in New Zealand because of COVID-19.

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	30¢	78¢	151¢	224¢	314¢

Market Indicator	Changes From			
	Four Sales Ago Week 36	Start of the Season	Week 40 Last Year	Season Average to Week 40 Last Year
Eastern Market Indicator	-275 (-17.6%)	-452 (-26.0%)	-656 (-33.8%)	-422 (-21.5%)
Western Market Indicator	-309 (-18.6%)	-528 (-28.1%)	-742 (-35.4%)	-473 (-22.4%)

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 ¢	-144	-151	-163	-190	-190	-182	-173	-170	-163	-138	
Change %	-7.3%	-8.0%	-9.0%	-10.8%	-11.2%	-10.9%	-10.6%	-10.4%	-10.1%	-8.5%	
Since Start of the Season											
Change ¢	-339	-419	-484	-548	-551	-553	-565	-567	-573	-552	
Change %	-15.7%	-19.5%	-22.7%	-25.9%	-26.9%	-27.1%	-27.8%	-28.0%	-28.3%	-27.1%	
Since Same Week Last Year											
Change ¢	-680	-739	-801	-825	-829	-815	-814	-808	-814	-769	
Change %	-27.2%	-30.0%	-32.8%	-34.5%	-35.6%	-35.5%	-35.7%	-35.6%	-36.0%	-34.2%	

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 ¢		-130	-153	-139	-109	-105
Change %		-12.0%	-17.6%	-20.3%	-26.7%	-10.6%
Since Start of the Season						
Change ¢		-393	-328	-302	-289	-98
Change %		-29.2%	-31.4%	-35.6%	-49.1%	-9.9%
Since Same Week Last Year						
Change ¢		-501	-487	-413	-341	-214
Change %		-34.5%	-40.4%	-43.1%	-53.2%	-19.4%

MC Average Merino Cardings Price Guide

# AWIS WOOL MARKET REVIEW

Week Ending 3 April 2020 (Week 40)

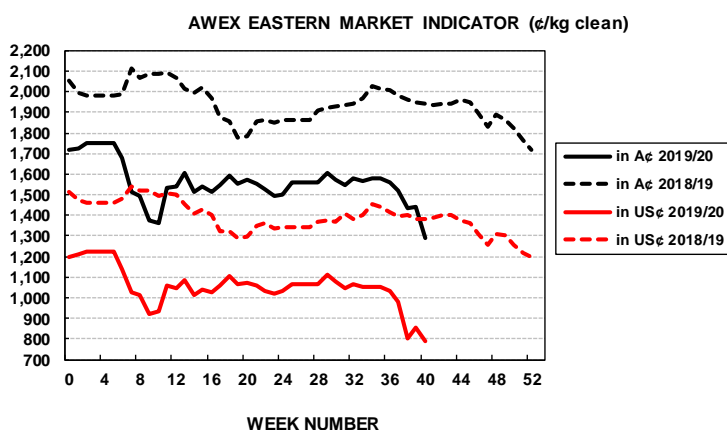
The following tables show the details of this week's sale offering; the expected offerings over the next three sales; the changes in Exchange Rates since the previous sale; and highlights from the January ABS export data.

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 <sup>st</sup> Time Bales
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re-Offered	Bales Sold	Bales	%	%
North	8,350	9,431	44.0%	9.0%	11.0%	5,278	-38,349	-10.8%	-15.0%
South	26,495	22,286	44.3%	16.7%	16.0%	12,410	-83,402	-11.9%	-15.6%
West	8,089	5,996	48.4%	25.8%	14.0%	3,094	-11,771	-4.4%	-10.3%
Australia	42,934	37,713	44.9%	16.6%	14.4%	20,782	-133,522	-10.1%	-14.4%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 41	Week 42	Week 43	Differences
North	10,280	No Sale	No Sale	-37.4%
South	25,288	No Sale	No Sale	-38.3%
West	8,648	No Sale	No Sale	-58.7%
New Zealand				
Australia	44,216			44,216
Differences	+17.8%			-43.5%

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	59.31	+1.71	+0.48	+0.25	-0.51	Public	+1.93 (+3.3%)	61.24	55.71	70.36
Euro	54.37	+0.81	+0.32	+0.55	-0.46	Holiday	+1.22 (+2.2%)	55.59	51.12	62.48

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change	
	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	1539
Last Year	1939
2017/18	1739
2016/17	1408
2015/16	1254

SEASON AVERAGES		
Region	This Year	Diff
North	1570	-412
South	1518	-394
West	1640	-449

THIS YEAR'S EMI	
This Week	1287
First Week	1723
Low (11/01)	1287
High (11/01)	1754

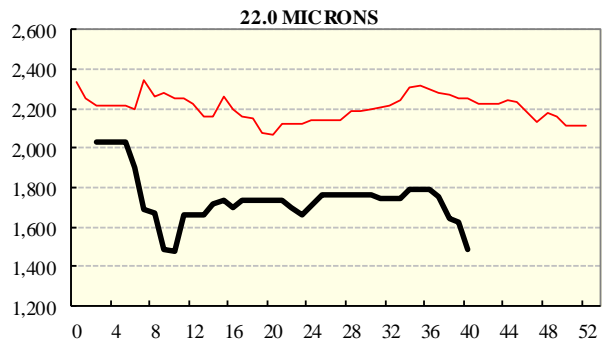
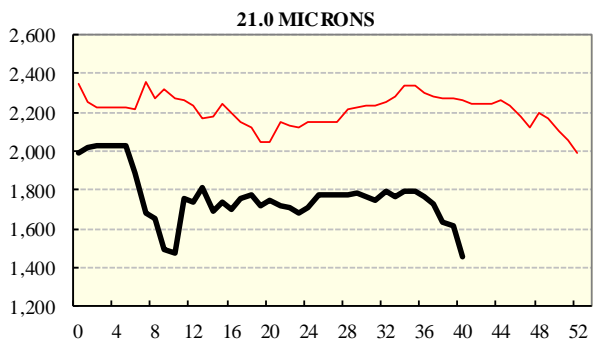
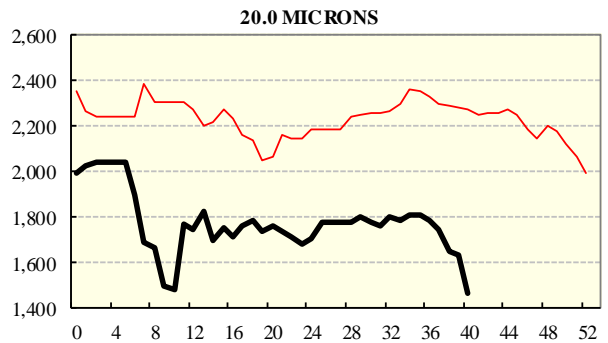
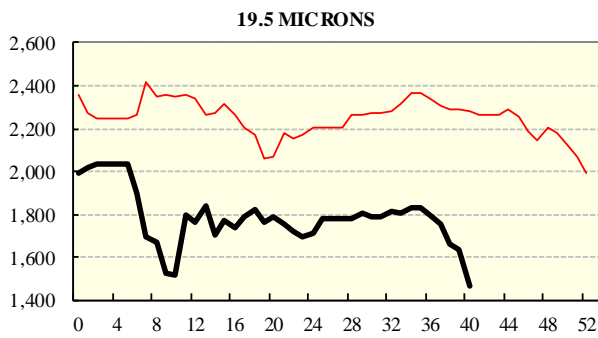
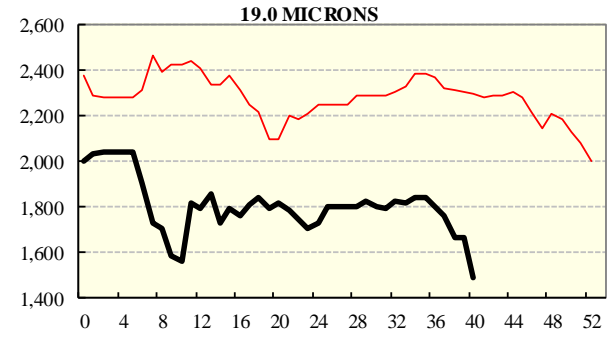
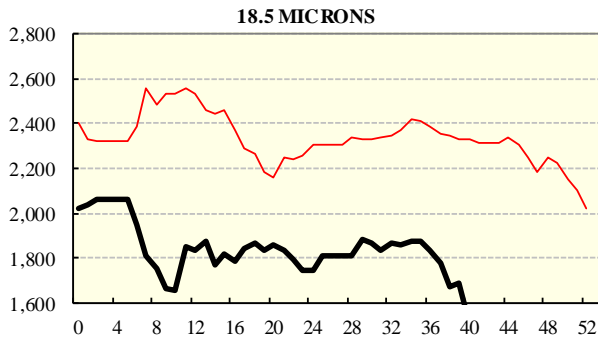
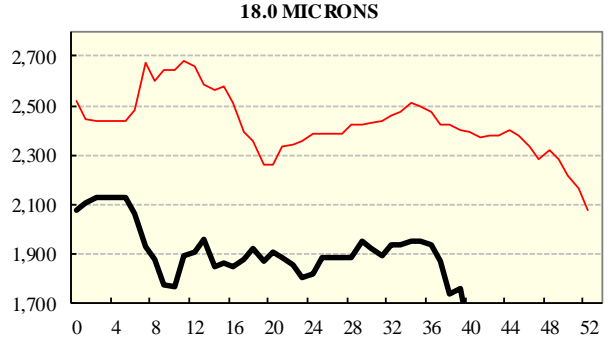
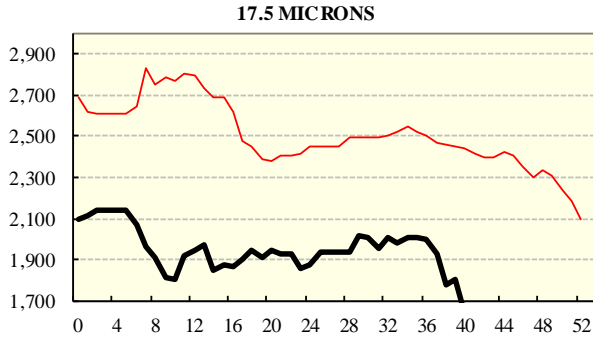
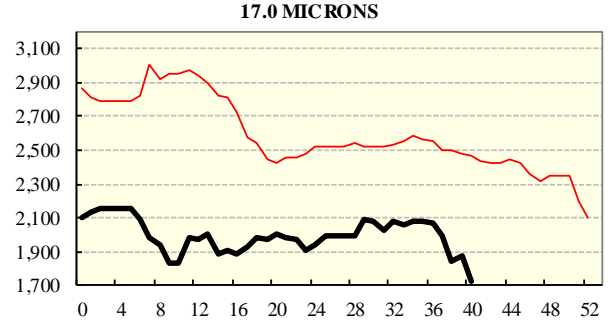
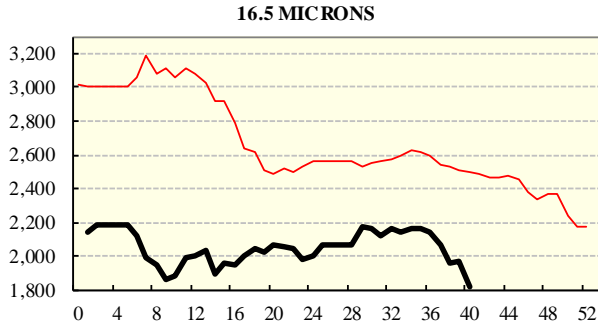
COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1320	-439
South	1266	-459
West	1353	-528

BALES OFFERED	
This Year	1,186,546
Last Year	1,320,068
Difference	-133,522
% Diff	-10.1%
FIRST OFFERED BALES	
Difference	-14.4%
% of Offering	89.3%

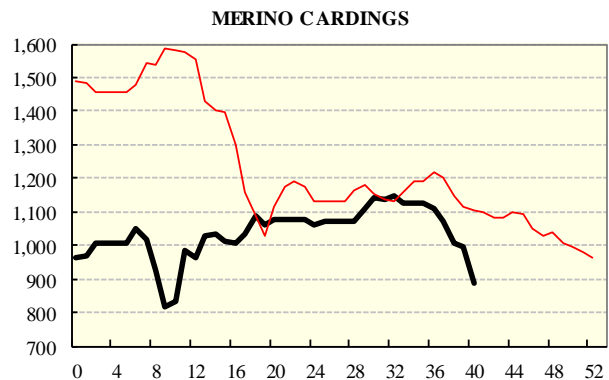
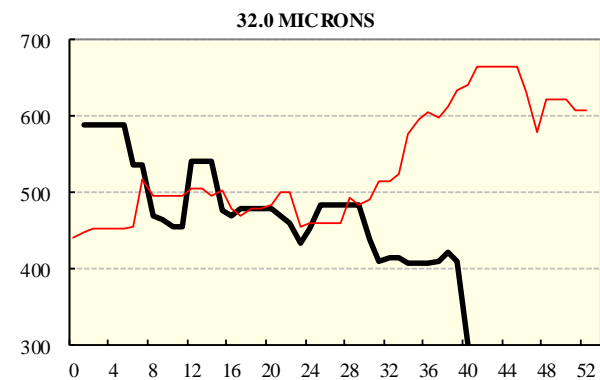
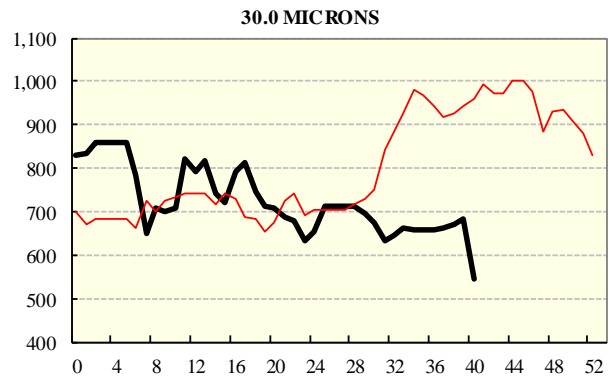
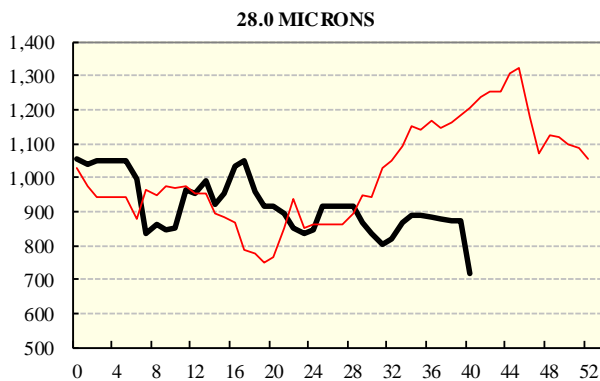
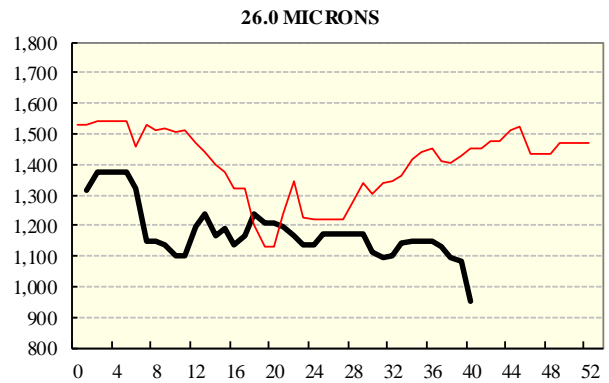
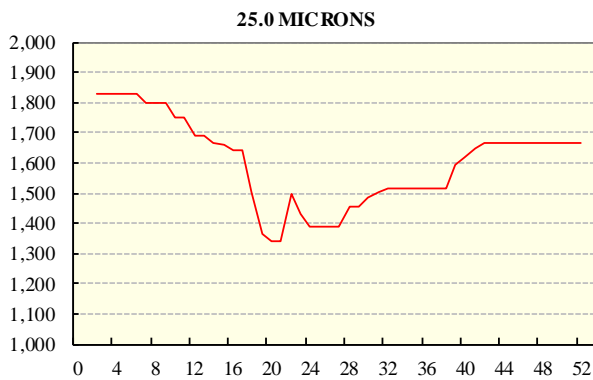
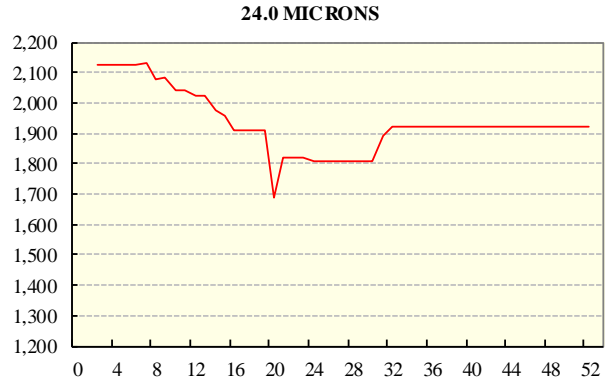
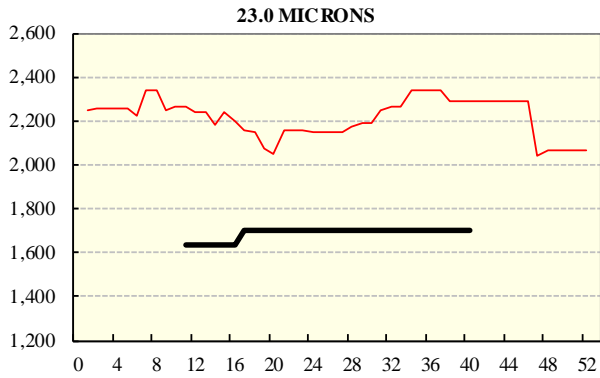
REGION BALES		
This Sale:		
North	9,431	
South	22,286	
West	5,996	
Progressive Totals:		Diff
North	315,734	-10.8%
South	615,117	-11.9%
West	255,695	-4.4%

## **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)

