

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW

Week Ending 30 August 2019 (Week 09).

The market again fell sharply when AWEX EMI finished at 1375¢, 122¢ lower (-8.1%) in Australian currency and 91¢ lower (-9.0%) in US currency at sales in Sydney, Melbourne and Fremantle this week.

25,272 bales were on offer nationally, compared with 26,495 bales last sale. 33.7% of the offering was passed in; and 18.4% of the initial offering was withdrawn prior to sale.

Only three buyers on Wednesday and two on Thursday bought more than 10% of the sold bales.

AWEX reports that the value of the wool sold was \$25.4 million (\$1,516 per bale), taking the season total to \$265.9 million (\$1,771 per bale).

The New Zealand Merino Company also offered 1,125 bales in Melbourne on Thursday, of which 67.5% were passed in and 16.8% were withdrawn before sale.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 09)									
Centre	Last Sale		Day-to-Day Changes (Week 09)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	08	1497	No Sale	-67	-55	-122 (-8.1%)	1375	-91	-81
Northern	08	1521	No Sale	-50	-66	-116 (-7.6%)	1405	-87	-77
Southern	08	1477	No Sale	-73	-48	-121 (-8.2%)	1356	-90	-81
Western	07	1598	No Sale	-113	-69	-182 (-11.4%)	1416	-132	-118

There were large falls across all Merino types and micron ranges, with wools of 19.0 microns and broader the most affected. Merino Skirtings also fell sharply, as did the Oddments, where the average AWEX Merino Cardings Price Guide fell by 110¢ (-11.9%) to record the greatest percentage fall for the week.

Falls among the crossbreds were significantly less than those among the Merinos, providing some better news for the week.

The US Exchange Rate finished 0.59¢ (-0.9%) lower to close at 67.22¢ on Thursday.

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

In other countries, South African sales continued in recess, but are planned to recommence in the first week of September.

Looking ahead, offerings for the coming three sales are currently expected to range from 29,061 bales to 35,215 bales and to be 9.7% less than in the same period last year. The forecast progressive difference to Week 12 is -15.3%. However, these numbers will be subject to change, depending on the market and withdrawal rates.

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	202¢	268¢	329¢	333¢	371¢

Market Indicator	Changes From			
	Four Sales Ago Week 02	Start of the Season	Week 09 Last Year	Season Average to Week 09 Last Year
Eastern Market Indicator	-379 (-21.6%)	-364 (-20.9%)	-715 (-34.2%)	-450 (-22.1%)
Western Market Indicator	-478 (-25.2%)	-465 (-24.7%)	-839 (-37.2%)	-488 (-22.2%)

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 ¢	-84	-106	-99	-99	-91	-117	-144	-164	-164	-189		
Change %	-4.3%	-5.5%	-5.2%	-5.3%	-5.2%	-6.9%	-8.6%	-9.9%	-9.9%	-11.3%		
Since Start of the Season												
Change ¢	-294	-312	-311	-342	-389	-453	-502	-529	-531	-548		
Change %	-13.6%	-14.6%	-14.6%	-16.2%	-19.0%	-22.2%	-24.7%	-26.1%	-26.2%	-26.9%		
Since Same Week Last Year												
Change ¢	-1239	-1114	-974	-870	-867	-838	-828	-803	-823	-788		
Change %	-39.9%	-37.8%	-34.9%	-32.9%	-34.3%	-34.6%	-35.1%	-34.9%	-35.6%	-34.7%		

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 ¢		-15	-18	-5	-5	-110
Change %		-1.3%	-2.1%	-0.7%	-1.1%	-11.9%
Since Start of the Season						
Change ¢		-209	-200	-147	-125	-172
Change %		-15.6%	-19.1%	-17.3%	-21.2%	-17.4%
Since Same Week Last Year						
Change ¢		-384	-128	-24	-31	-769
Change %		-25.3%	-13.2%	-3.3%	-6.3%	-48.5%

Average Merino Cardings Price Guide

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AWIS WOOL MARKET REVIEW Week Ending 30 August 2019 (Week 09)

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 June ABS export data.

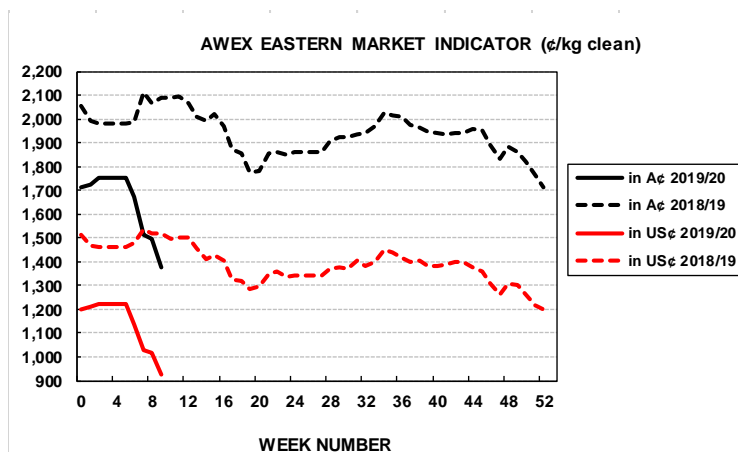
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re-Offered	Bales Sold
North	9,430	6,951	30.9%	14.9%	16.3%	4,801
South	17,065	11,430	29.0%	11.6%	13.5%	8,112
West		6,891	44.2%	30.2%	25.3%	3,846
Australia	26,495	25,272	33.7%	18.4%	17.5%	16,759

Progressive Changes from Last Year		
All Bales		1 st Time Bales
Bales	%	%
-15,134	-18.5%	-21.4%
-24,690	-21.0%	-26.2%
-2,213	-6.1%	-14.0%
-42,037	-17.8%	-22.8%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 10	Week 11	Week 12	Differences
North	8,885	8,700	8,950	-9.9%
South	15,718	16,441	18,765	-14.1%
West	4,458	7,500	7,500	+4.6%
New Zealand		1,500		
Australia	29,061	32,641	35,215	96,917
Differences	-23.6%	-4.2%	0.0%	-9.7%

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	67.81	-0.25	-0.22	+0.24	-0.20	-0.16	-0.59 (-0.9%)	67.22	67.22	70.36
Euro	61.11	-0.07	-0.61	+0.44	-0.11	-0.11	-0.46 (-0.8%)	60.65	60.42	62.36

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to June	
	June 2019	July to June 2018/19	July to June 2017/20	By Weight	By Value
China	81.1%	78.0%	78.9%	-14.6%	-2.4%
India	5.4%	5.8%	5.9%	-15.6%	-5.1%
Italy	1.5%	4.6%	4.0%	+0.5%	+11.3%
Czech Republic	4.0%	3.6%	5.3%	-41.3%	-33.2%
Korea	2.1%	2.4%	1.4%	+52.8%	+70.1%
Malaysia	0.9%	0.8%	1.3%	-45.9%	-36.7%
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	1590
Last Year	1939
2017/18	1739
2016/17	1408
2015/16	1254

SEASON AVERAGES		
Region	This Year	Diff
North	1614	-367
South	1573	-339
West	1707	-381

THIS YEAR'S EMI	
This Week	1375
First Week	1723
Low (0/01)	1375
High (0/01)	1754

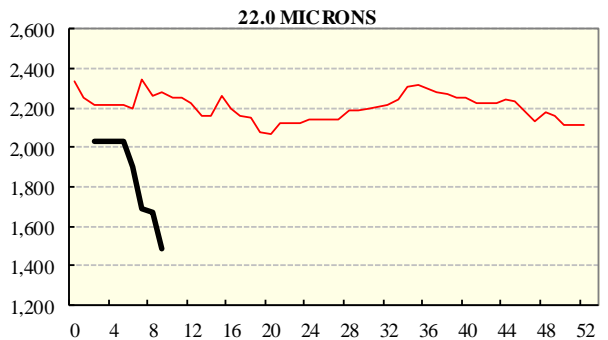
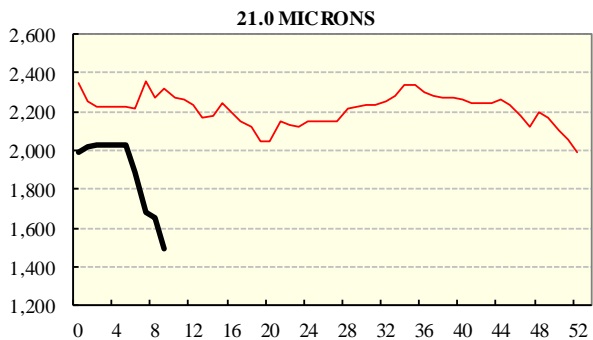
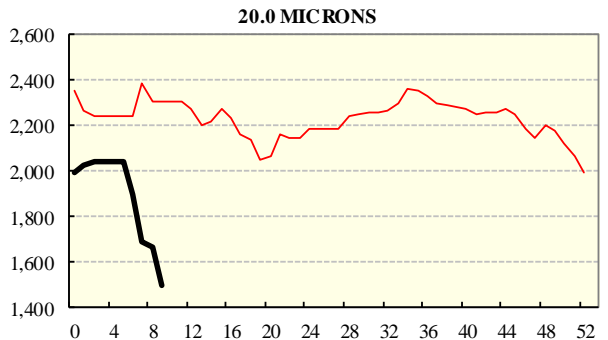
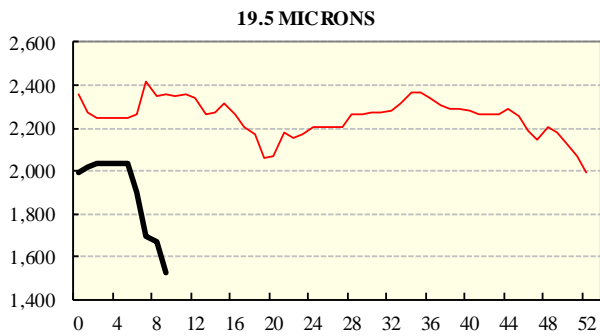
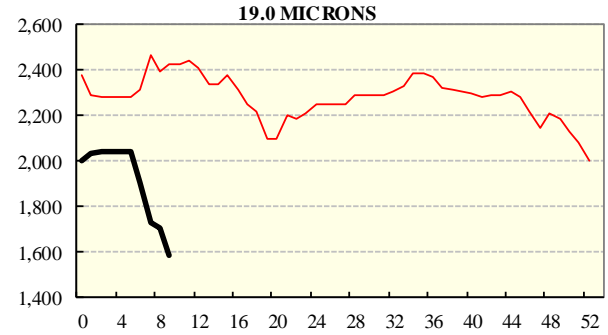
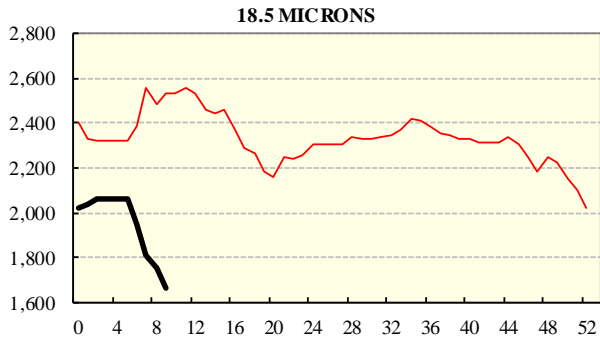
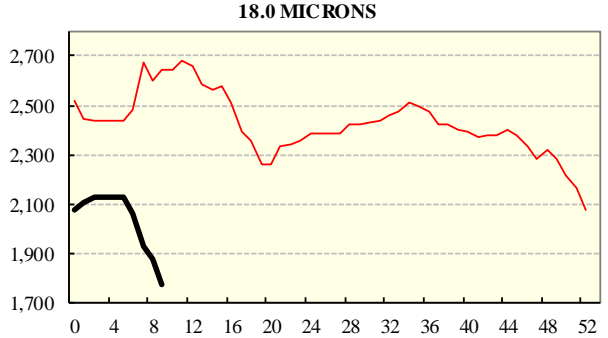
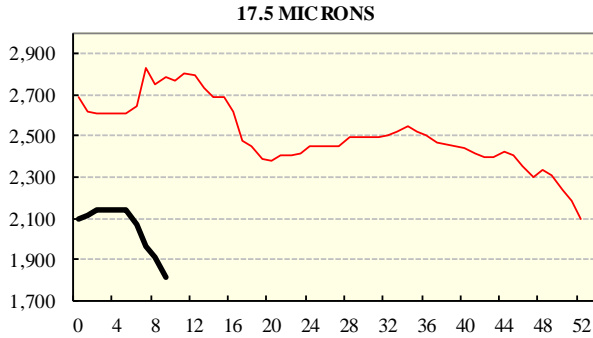
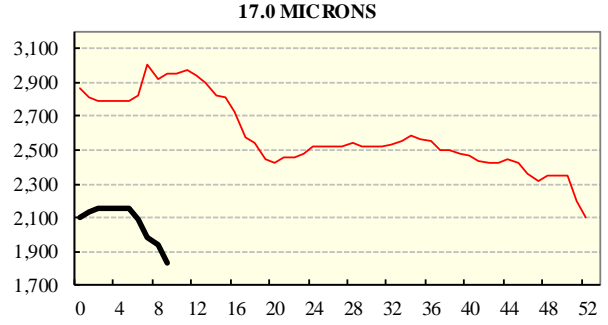
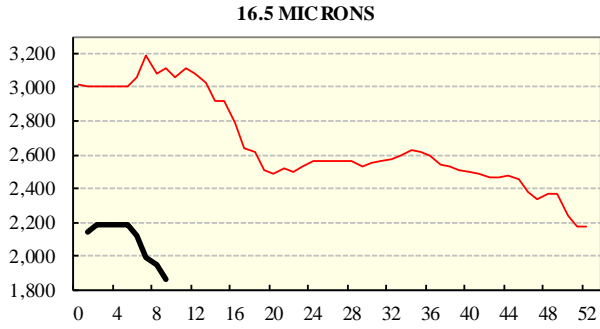
COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1405	-354
South	1356	-369
West	1416	-465

BALES OFFERED	
This Year	193,795
Last Year	235,832
Difference	-42,037
% Diff	-17.8%
FIRST OFFERED BALES	
Difference	-22.8%
% of Offering	89.7%

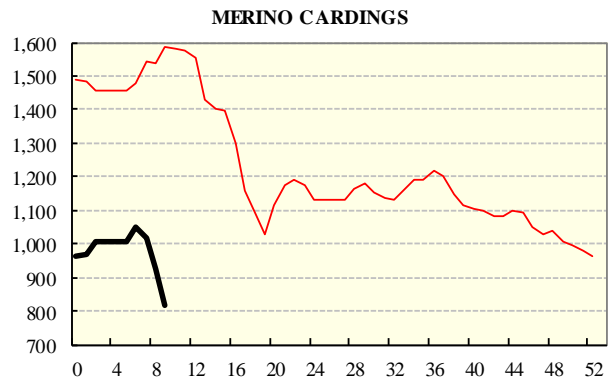
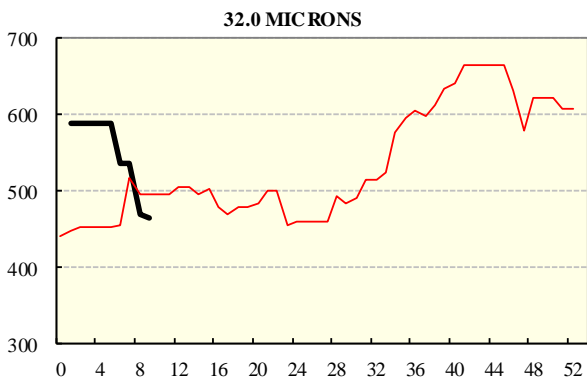
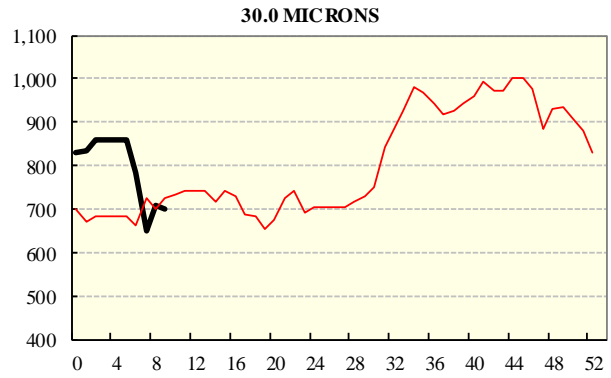
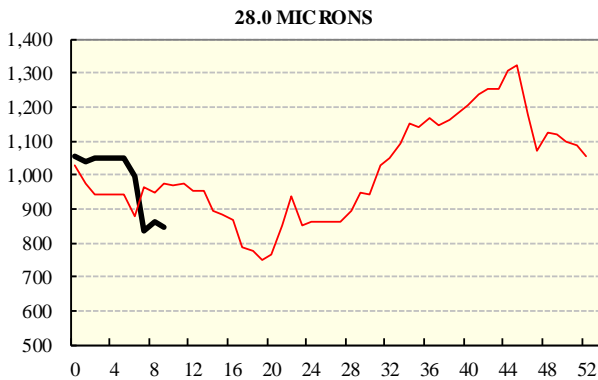
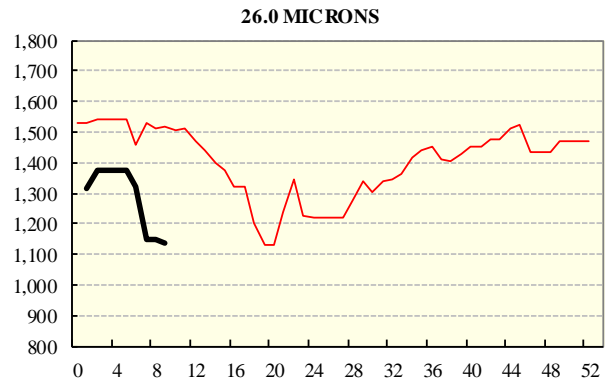
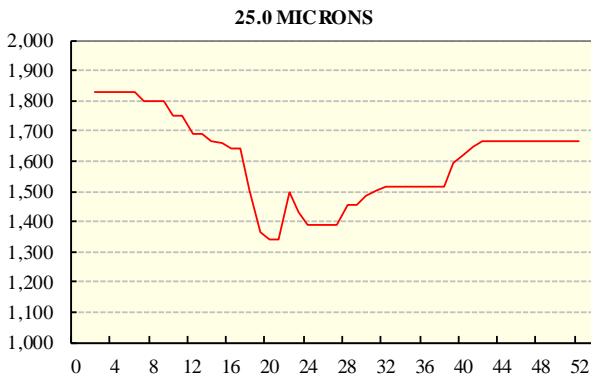
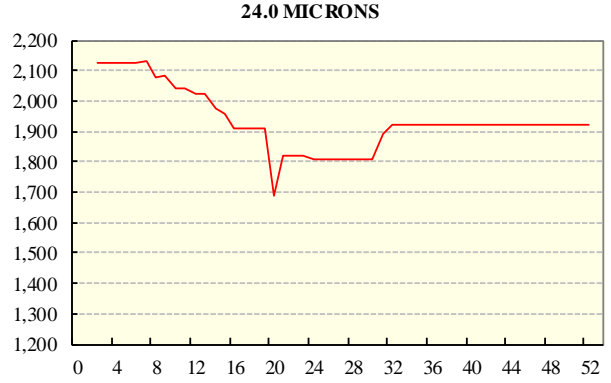
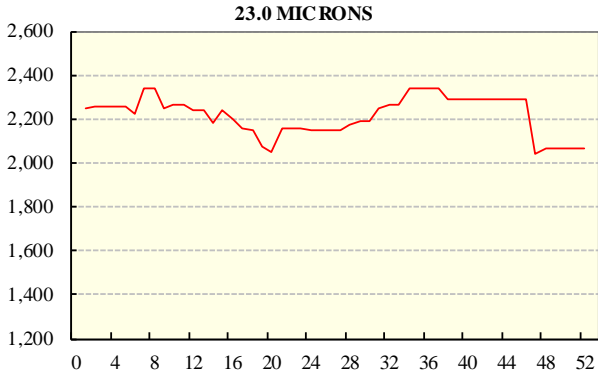
REGION BALES		
This Sale:		
North	6,951	
South	11,430	
West	6,891	
Progressive Totals:		Diff
North	66,750	-18.5%
South	93,086	-21.0%
West	33,959	-6.1%

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)

