

# AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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## AWIS WOOL MARKET REVIEW

Week Ending 6 December 2019 (Week 23).

The AWEX EMI finished at 1492¢, 38¢ lower (-2.5%) in Australian currency and 15¢ lower (-1.4%) in US currency at sales in Sydney, Melbourne and Fremantle in Week 23.

37,191 bales were on offer nationally, compared with 37,804 bales last sale. 19.9% of the offering was passed in after 7.2% of the potential offering was withdrawn prior to sale.

AWEX reports that the value of the wool sold was \$48.9 million (\$1,641 per bale), taking the season total to \$921.6 million (\$1,737 per bale). The number of bales sold at auction this season is now 17.8% less than in 2018/19. This number has lifted from -22.1% four weeks ago.

The New Zealand Merino Company also offered 958 bales in Melbourne on Thursday, of which 39.6% were passed in.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 23)									
Centre	Last Sale		Day-to-Day Changes (Week 23)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	22	1530	No Sale	-17	-21	-38 (-2.5%)	1492	-15	-19
Northern	22	1561	No Sale	-22	-15	-37 (-2.4%)	1524	-14	-19
Southern	22	1511	No Sale	-15	-25	-40 (-2.6%)	1471	-16	-20
Western	22	1640	No Sale	-23	-13	-36 (-2.2%)	1604	-12	-18

There was considerable seller resistance as the market experienced its third successive fall. This was particularly so on Thursday, when the Withdrawn Rate was 8.4% and the Passed-In Rate was 23.8%.

Not surprisingly, there were falls across all types and micron ranges. Falls in the AWEX MPGs were around 3% up to 18 microns, after which they dropped to around 2%, as was the case for the fine crossbreds. 30 and 32 micron crossbreds were more affected, with falls of over 5% in their average MPGs.

The US Exchange Rate finished 0.76¢ (1.1%) higher to close at 68.39¢ on Thursday.

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

In other countries, the South African sales are now in recess until 9 January next year.

Looking ahead, offerings for the last two sales prior to the Christmas break are expected to be 48,400 and 39,500 bales.

The forecast progressive difference to Week 25 is -6.1%.

The size of the weekly offerings has been moving closer to the previous year's volumes in recent weeks. The number of bales offered in the last four weeks is **up** by 6.4%, compared with a figure of -16.7% from Week 01 to Week 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	94¢	134¢	197¢	250¢	314¢

Market Indicator	Changes From			
	Four Sales Ago Week 19	Start of the Season	Week 23 Last Year	Season Average to Week 23 Last Year
Eastern Market Indicator	-63 (-4.1%)	-247 (-14.2%)	-357 (-19.3%)	-417 (-21.2%)
Western Market Indicator	-58 (-3.5%)	-277 (-14.7%)	-405 (-20.2%)	-464 (-21.9%)

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 ¢	-59	-63	-69	-53	-48	-37	-31	-29	-31	-36		
Change %	-2.9%	-3.2%	-3.6%	-2.9%	-2.7%	-2.1%	-1.8%	-1.7%	-1.8%	-2.1%		
Since Start of the Season												
Change ¢	-180	-233	-271	-314	-304	-332	-340	-349	-345	-370		
Change %	-8.3%	-10.9%	-12.7%	-14.8%	-14.8%	-16.3%	-16.7%	-17.2%	-17.1%	-18.2%		
Since Same Week Last Year												
Change ¢	-553	-568	-562	-550	-510	-502	-479	-465	-444	-458		
Change %	-21.8%	-22.9%	-23.2%	-23.4%	-22.6%	-22.7%	-22.1%	-21.7%	-20.9%	-21.6%		

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 ¢			-31	-16	-46	-25
Change %			-2.7%	-1.9%	-6.8%	-5.4%
Since Start of the Season						
Change ¢			-210	-211	-217	-154
Change %			-15.6%	-20.2%	-25.6%	-26.1%
Since Same Week Last Year						
Change ¢			-91	-19	-62	-20
Change %			-7.4%	-2.2%	-8.9%	-4.4%

MC Average Merino Cardings Price Guide

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## AWIS WOOL MARKET REVIEW Week Ending 6 December 2019 (Week 23)

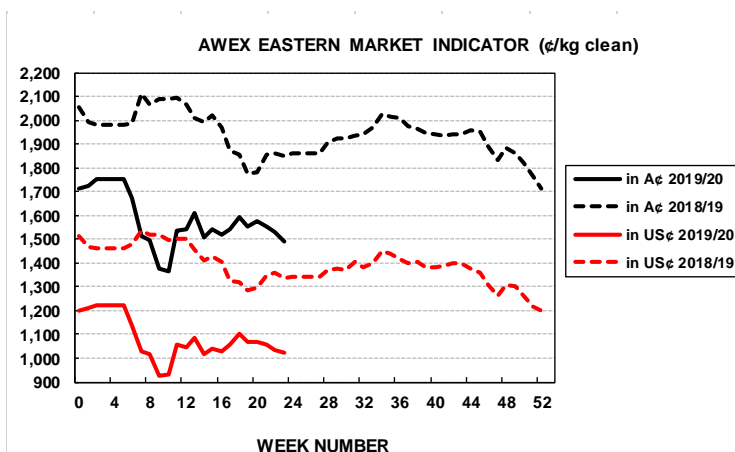
The following tables show the details of this week's sale offering; the expected offerings over the next three sales; the changes in Exchange Rates since the previous sale; and highlights from the October ABS export data.

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	10,237	10,075	13.7%	3.0%	7.5%	8,691	-26,406	-12.5%	-16.2%
South	20,292	19,735	20.1%	7.4%	9.0%	15,776	-56,499	-15.0%	-18.5%
West	7,275	7,381	27.7%	12.2%	11.9%	5,338	-5,932	-4.4%	-11.6%
<b>Australia</b>	<b>37,804</b>	<b>37,191</b>	<b>19.9%</b>	<b>7.2%</b>	<b>9.1%</b>	<b>29,805</b>	<b>-88,837</b>	<b>-12.3%</b>	<b>-16.6%</b>

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 24	Week 25	Week 26	Differences
North	10,749	11,005	No Sale	-12.0%
South	27,734	20,649	No Sale	+10.2%
West	9,925	7,800	No Sale	+15.0%
<b>New Zealand</b>				
<b>Australia</b>	<b>48,408</b>	<b>39,454</b>		<b>87,862</b>
<b>Differences</b>	<b>+5.2%</b>	No Sale		

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	67.63	+0.14	-0.03	+0.67	-0.16	+0.14	+0.76 (+1.1%)	68.39	67.17	70.36
Euro	61.44	+0.11	-0.07	+0.30	-0.16	+0.08	+0.26 (+0.4%)	61.70	60.42	62.48

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change	
	September 2019	July to September 2019/20	July to September 2018/19	July to September By Weight	July to September By Value
China	74.4%	74.2%	74.6%	-26.0%	-42.6%
Italy	7.3%	7.7%	6.4%	-9.8%	-28.3%
India	5.5%	5.6%	6.4%	-34.6%	-44.9%
Czech Republic	2.7%	3.3%	3.5%	-29.5%	-47.2%
Korea	2.2%	2.4%	3.1%	-43.7%	-52.7%
Egypt	2.5%	1.9%	1.0%	+41.6%	+13.6%
Thailand	0.9%	0.8%	1.3%	-52.6%	-63.6%
Germany	0.6%	0.5%	0.3%	+47.3%	+22.7%
<b>Change all Countries</b>				<b>-25.7%</b>	<b>-41.4%</b>



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

THIS YEAR'S EMI	
This Week	1492
First Week	1723
Low (10/01)	1365
High (11/01)	1754

BALES OFFERED	
This Year	632,467
Last Year	721,304
Difference	-88,837
% Diff	-12.3%
FIRST OFFERED BALES	
Difference	-16.6%
% of Offering	89.8%

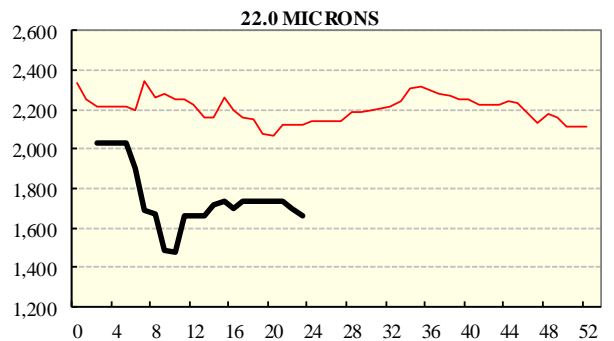
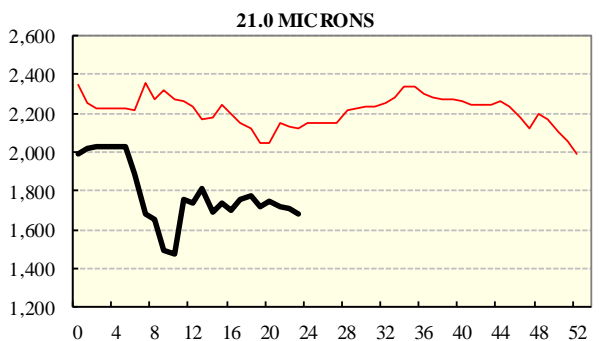
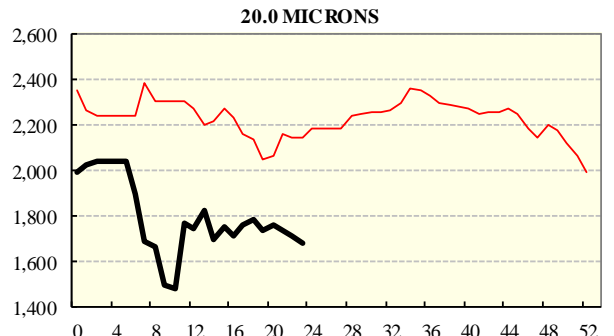
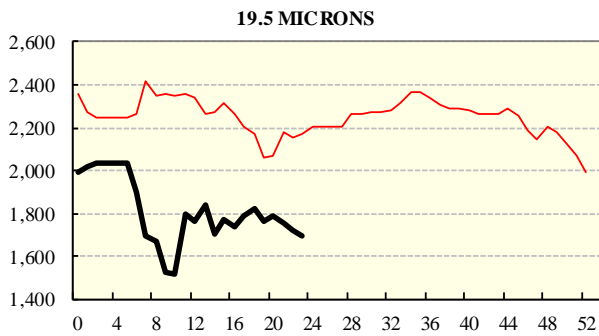
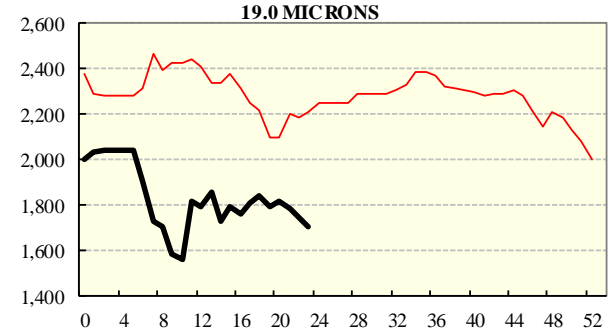
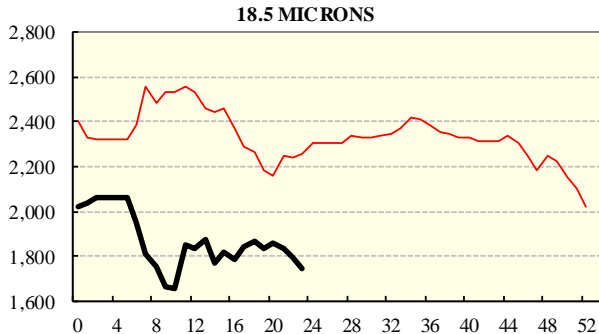
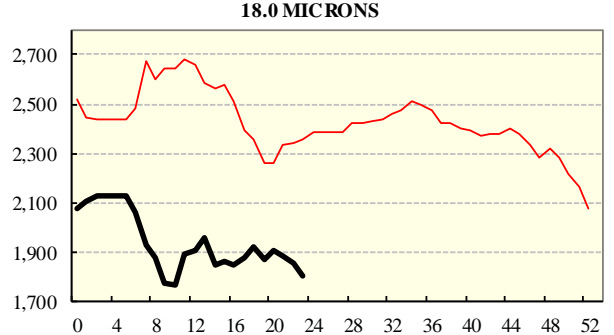
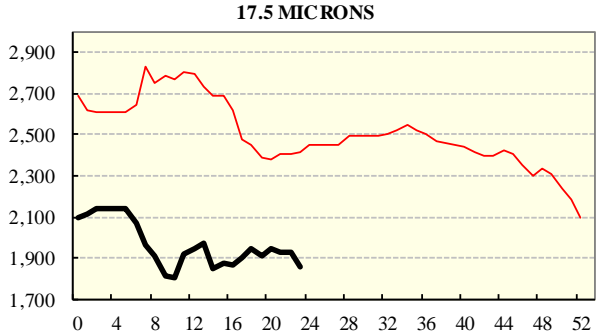
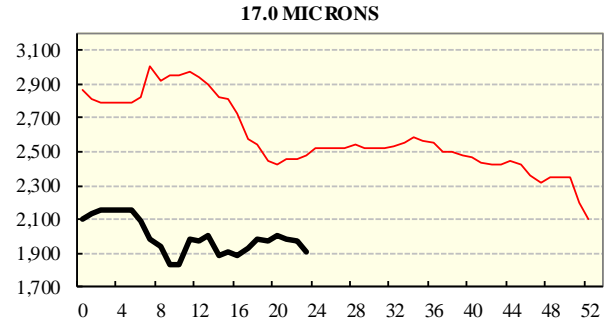
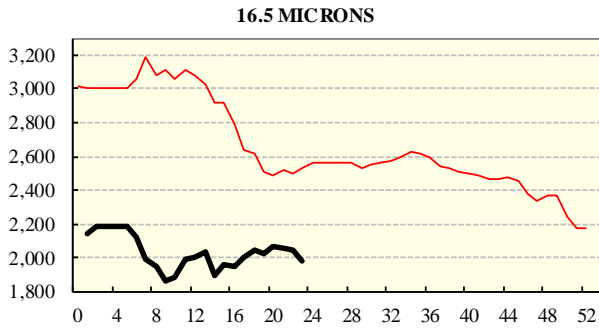
SEASON AVERAGES		
Region	This Year	Diff
North	1577	-405
South	1532	-380
West	1651	-437

COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1524	-235
South	1471	-254
West	1604	-277

REGION BALES		
This Sale:		
North	10,075	
South	19,735	
West	7,381	
Progressive Totals:		Diff
North	184,165	-12.5%
South	320,171	-15.0%
West	128,131	-4.4%

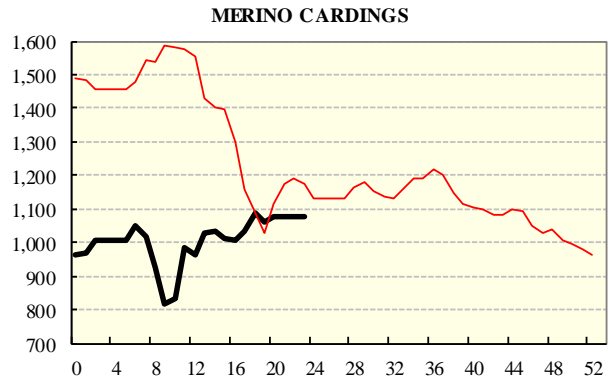
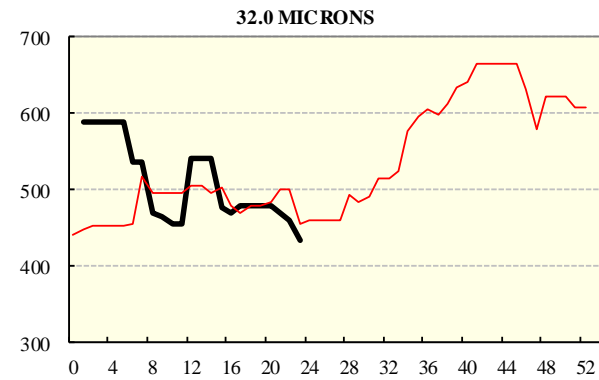
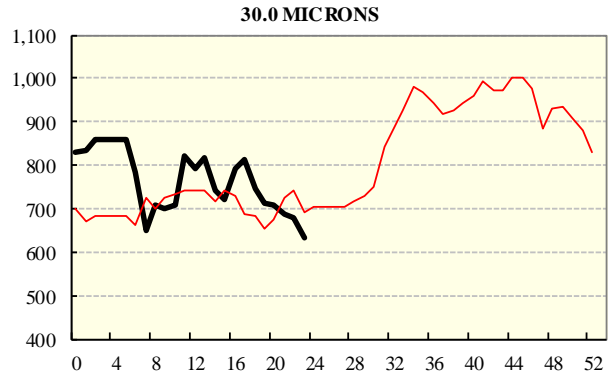
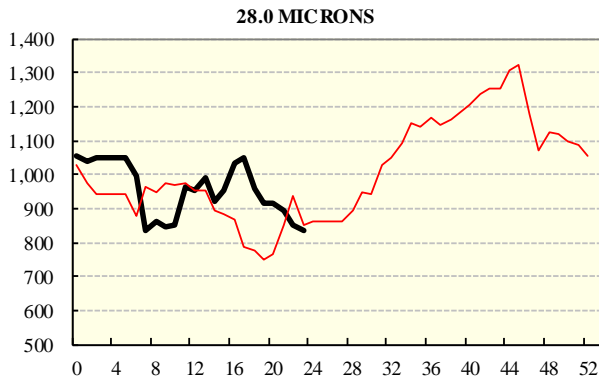
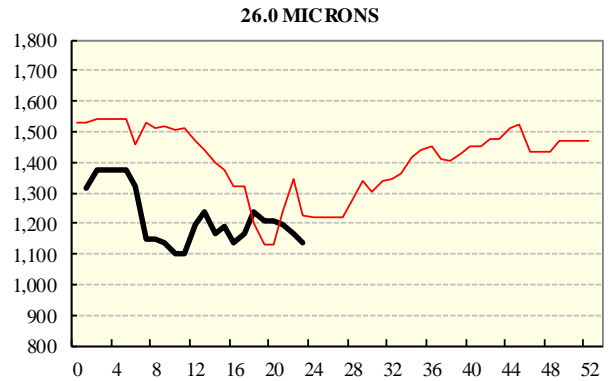
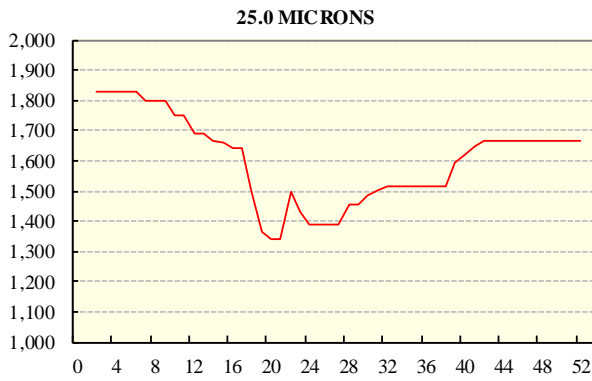
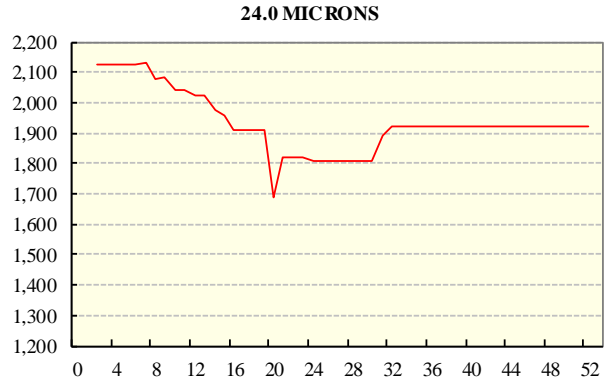
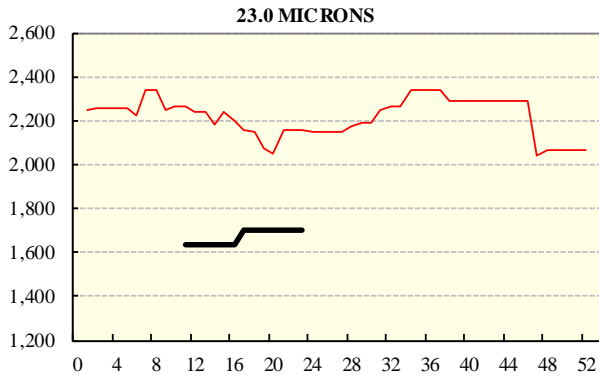
### **AVERAGE AWEX MICRON PRICE GUIDES**

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)

