

# AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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## AWIS WOOL MARKET REVIEW

Week Ending 6 May 2022 (Week 44)

The AWEX EMI finished 24¢ higher (+1.7%) in Australian currency and 19¢ higher (+1.9%) in US currency at sales in Sydney, Melbourne and Fremantle in Week 44.

40,153 bales were on offer nationally, compared with 48,760 bales last sale. 5.9% of the offering was passed in after 4.3% of the potential offering was withdrawn prior to sale. 37,797 bales were sold.

AWEX reports that the value of the wool sold was \$58.6 million (\$1,550 per bale), taking the season total to \$2.142 billion (\$1,600 per bale). The number of bales sold at auction this season is now 9.6% greater than in 2020/21.

| Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 44) |           |           |                              |           |          |                     |                   |                      |        |
|---|-----------|-----------|------------------------------|-----------|----------|---------------------|-------------------|----------------------|--------|
| Centre  | Last Sale |           | Day-to-Day Changes (Week 44) |           |          | Sale-to-Sale Change | Closing Indicator | Sale-to-Sale Changes |        |
|   | Week      | Indicator | Tuesday                      | Wednesday | Thursday |                     |                   | US ¢                 | Euro ¢ |
| Eastern   | 43        | 1377      | +12                          | +12       | No Sale  | +24 (+1.7%)         | 1401              | +19                  | +18    |
| Northern  | 43        | 1466      | +8                           | +15       | No Sale  | +23 (+1.6%)         | 1489              | +19                  | +17    |
| Southern  | 43        | 1317      | +15                          | +10       | No Sale  | +25 (+1.9%)         | 1342              | +19                  | +18    |
| Western   | 43        | 1439      | +14                          | +20       | No Sale  | +34 (+2.4%)         | 1473              | +26                  | +25    |

It was a good market, with gains in prices occurring across all micron ranges and types; which took the closing EMI to over 1400¢ in Australian currency for the first time since Week 37. The greatest gains in the individual AWEX Micron Price Guides were recorded from 18.5 to 22 microns.

The gains were achieved on a steady US Exchange Rate that finished 0.14¢ (0.2%) higher to close at 71.10¢ on Wednesday. However, it moved up to 72.41¢ on Thursday after the Reserve Bank of Australia lifted the Cash Rate from 0.1% to 0.35%.

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

The Australia Bureau of Statistics most recent data showed that 81% of Australia's exports to the end of March went to China this year compared with 86% in the same nine months in the previous year.

Looking ahead, offerings for the coming three sales are expected to range from 39,046 bales to 42,779 bales and to be 12.8% less than in the same period last year. The forecast progressive difference from Week 47 last year is now +8.8%.

In other countries, the South African Cape Wools Indicator was up by 0.9% since last sale against a 0.6% depreciation of the Rand against the US Dollar and a 0.8% appreciation against the Euro.

| 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                    | 627¢          | 888¢          | 1141¢         | 1343¢         | 1649¢         |

| Market Indicators        | Changes From |                        |                     |                   |                                     |
|--------------------------|--------------|------------------------|---------------------|-------------------|-------------------------------------|
|                          | Week 44      | Four Sales Ago Week 39 | Start of the Season | Week 44 Last Year | Season Average to Week 44 Last Year |
| Eastern Market Indicator | 1401         | +26 (+1.9%)            | -23 (-1.6%)         | +59 (+4.4%)       | +216 (+18.7%)                       |
| Western Market Indicator | 1473         | +55 (+3.9%)            | +21 (+1.4%)         | +98 (+7.1%)       | +210 (+17.4%)                       |

| 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 ¢   | +38    | +22    | +22    | +35    | +36   | +31   | +32   | +33   | +42   | +25   |           |
| Change %   | +1.3%  | +0.8%  | +0.9%  | +1.6%  | +1.9% | +1.8% | +2.1% | +2.4% | +3.2% | +1.9% |           |
| Since Start of the Season  |        |        |        |        |       |       |       |       |       |       |           |
| Change ¢   | +166   | +124   | +97    | +36    | -9    | -51   | -49   | -21   | +5    | +70   |           |
| Change %   | +6.0%  | +4.9%  | +4.2%  | +1.7%  | -0.5% | -2.9% | -3.1% | -1.5% | +0.4% | +5.6% |           |
| Since Week 44 Last Year  |        |        |        |        |       |       |       |       |       |       |           |
| Change ¢   | +422   | +339   | +291   | +211   | +146  | +65   | +48   | +48   | +38   | +93   |           |
| Change %   | +16.9% | +14.7% | +13.6% | +10.8% | +8.2% | +3.9% | +3.2% | +3.5% | +2.9% | +7.5% |           |

| 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 ¢  |      | +6     | +5     | +7     | 0      | +20   |
| Change %  |      | +0.9%  | +1.3%  | +2.2%  | 0.0%   | +2.1% |
| Since Start of the Season                               |      |        |        |        |        |       |
| Change ¢  |      | -124   | -90    | -84    | -25    | -9    |
| Change %  |      | -15.3% | -18.2% | -20.6% | -9.4%  | -0.9% |
| Since Week 44 Last Year                                 |      |        |        |        |        |       |
| Change ¢  |      | -109   | -109   | -92    | -38    | +39   |
| Change %  |      | -13.7% | -21.2% | -22.2% | -13.7% | +4.2% |

MC Average Merino Cardings Price Guide

# AWIS WOOL MARKET REVIEW

Week Ending 6 May 2022 (Week 44)

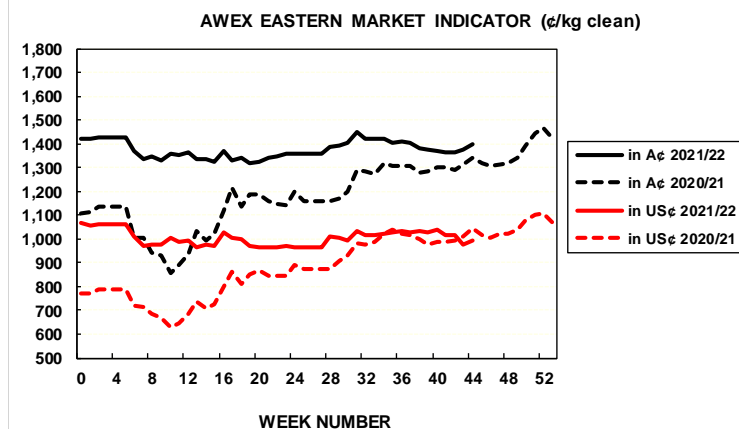
The following tables show the details of this week's sale offering; the expected offerings over the next three sales; the changes in Exchange Rates since the previous sale; and highlights from the February ABS export data.

| 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  | 13,558    | 9,562     | 4.8%      | 5.5%                  | 6.8%       | 9,099      | +62,105                            | +16.5% | +15.3%                     |
| South  | 25,142    | 22,140    | 6.1%      | 3.4%                  | 6.8%       | 20,797     | +75,951                            | +10.4% | +10.1%                     |
| West   | 10,060    | 8,451     | 6.5%      | 5.2%                  | 10.7%      | 7,901      | +14,054                            | +5.0%  | +4.9%                      |
| Australia  | 48,760    | 40,153    | 5.9%      | 4.3%                  | 7.6%       | 37,797     | +151,702                           | +10.9% | +10.5%                     |

| Next Sale Offerings and Year-on-Year Differences |         |         |         |             |
|--|---------|---------|---------|-------------|
| Centre   | Week 45 | Week 46 | Week 47 | Differences |
| North  | 9,155   | 9,770   | 10,200  | -26.4%      |
| South  | 25,104  | 20,976  | 21,235  | -8.3%       |
| West   | 8,520   | 8,300   | 8,050   | -5.1%       |
| New Zealand                                      |         |         |         |             |
| Australia  | 42,779  | 39,046  | 39,485  | 121,310     |
| Differences                                      | -10.0%  | -21.5%  | -5.7%   | -12.8%      |

| 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                 | 70.96     | +0.52              | -1.05 | +0.64 | +0.03 | No   | +0.14 (+0.2%)       | 71.10         | 70.82            | 75.72 |
| Euro                          | 67.50     | +0.32              | -0.82 | +0.63 | -0.01 | Sale | +0.12 (+0.2%)       | 67.62         | 61.70            | 69.58 |

| Country              | % Share of Australia's Wool Exports by Weight of Wool Shipped |                       |                       | Year-on-Year % Change   |                        |
|----------------------|---|-----------------------|-----------------------|-------------------------|------------------------|
|                      | March 2022  | July to March 2021/22 | July to March 2020/21 | July to March By Weight | July to March By Value |
| China                | 82.5%   | 81.2%                 | 86.8%                 | +13.9%                  | +39.0%                 |
| Italy                | 4.4%  | 4.8%                  | 2.0%                  | +186.9%                 | +290.4%                |
| India                | 4.8%  | 4.8%                  | 3.3%                  | +79.4%                  | +112.4%                |
| Czech Republic       | 3.3%  | 3.9%                  | 4.0%                  | +18.1%                  | +31.0%                 |
| Korea                | 1.3%  | 1.5%                  | 2.0%                  | +15.1%                  | +27.0%                 |
| Egypt                | 0.4%  | 0.7%                  | 0.3%                  | +211.3%                 | +324.7%                |
| Thailand             | 0.9%  | 0.6%                  | 0.4%                  | +90.1%                  | +146.2%                |
| Germany              | 0.6%  | 0.5%                  | 0.3%                  | +85.8%                  | +37.2%                 |
| Change all Countries |   |                       |                       | +21.8%                  | +51.3%                 |



| AVERAGE EMI |      |
|-------------|------|
| This Year   | 1373 |
| Last Year   | 1199 |
| 2019/20     | 1448 |
| 2018/19     | 1939 |
| 2017/18     | 1739 |

| THIS YEAR'S EMI |      |
|-----------------|------|
| This Week       | 1401 |
| First Week      | 1420 |
| Low (12/01)     | 1319 |
| High (13/01)    | 1449 |

| BALES OFFERED       |           |
|---------------------|-----------|
| This Year           | 1,537,146 |
| Last Year           | 1,385,444 |
| Difference          | +151,702  |
| % Diff              | +10.9%    |
| FIRST OFFERED BALES |           |
| Difference          | +10.5%    |
| % of Offering       | 90.9%     |

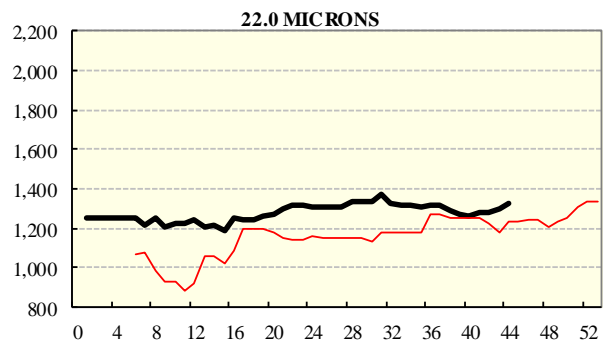
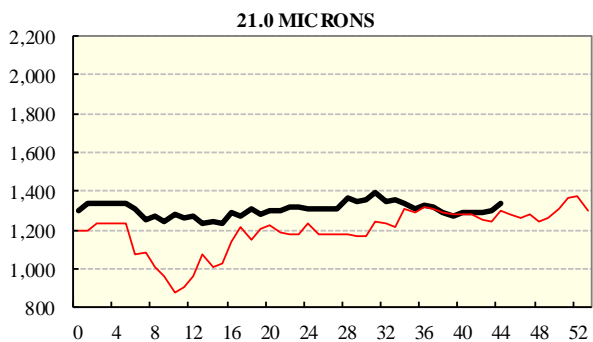
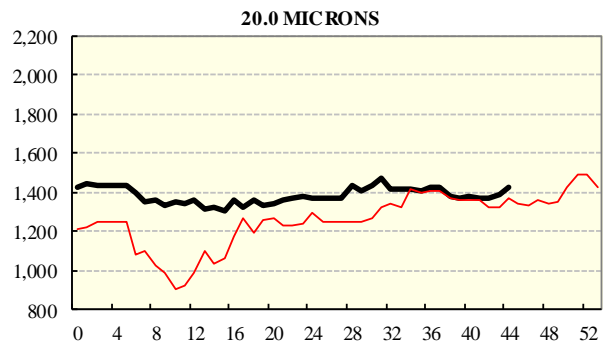
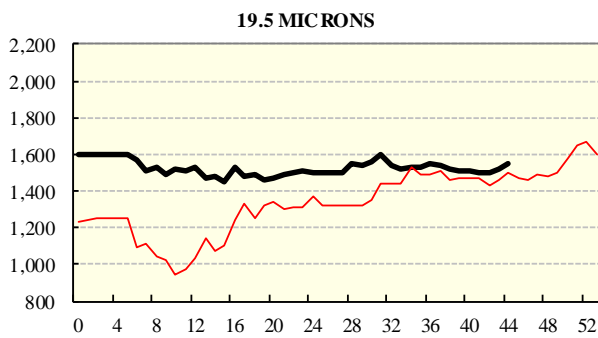
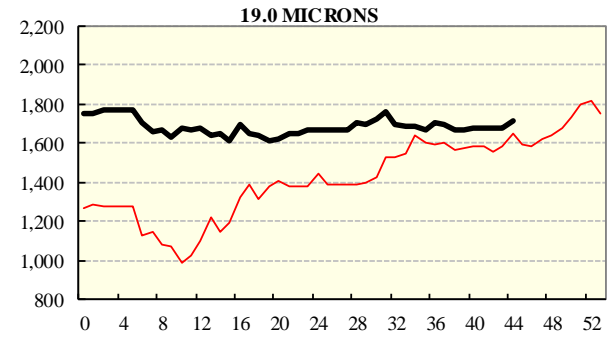
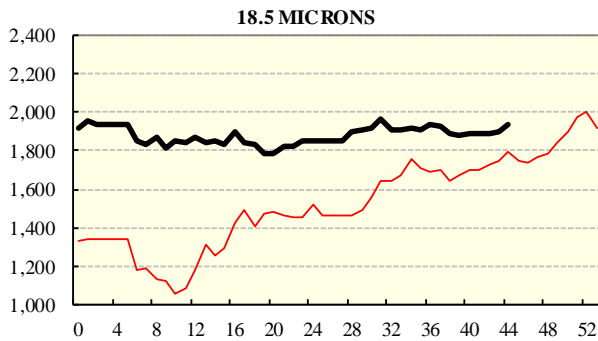
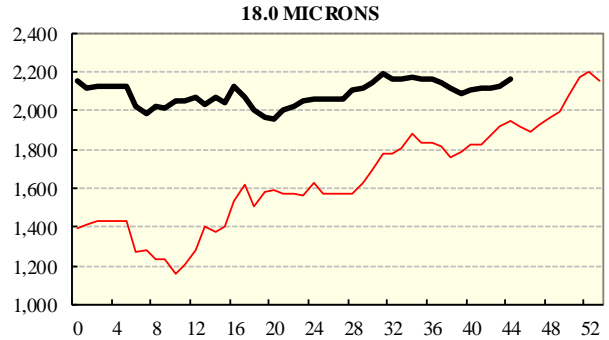
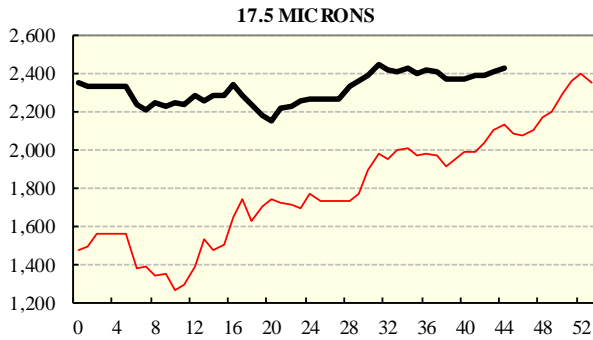
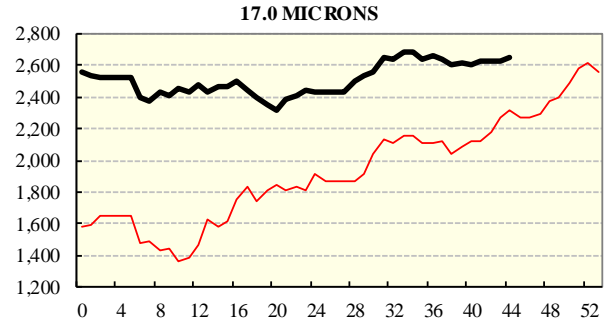
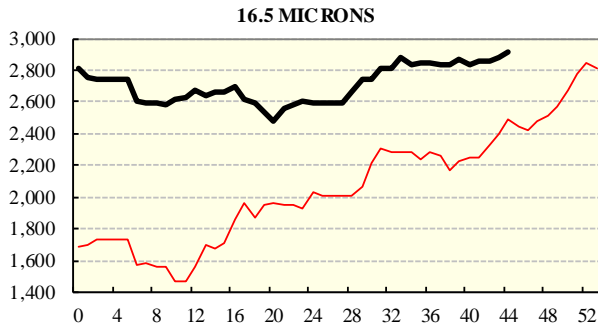
| SEASON AVERAGES |           |      |
|-----------------|-----------|------|
| Region          | This Year | Diff |
| North           | 1461      | +196 |
| South           | 1315      | +159 |
| West            | 1416      | +180 |

| COMPARED WITH WKS 1/2 |           |      |
|-----------------------|-----------|------|
| Region                | This Week | Diff |
| North                 | 1489      | -27  |
| South                 | 1342      | -24  |
| West                  | 1473      | +21  |

| REGION BALES        |         |        |
|---------------------|---------|--------|
| This Sale:          |         |        |
| North               | 9,562   |        |
| South               | 22,140  |        |
| West                | 8,451   |        |
| Progressive Totals: |         | Diff   |
| North               | 438,291 | +16.5% |
| South               | 803,931 | +10.4% |
| West                | 294,924 | +5.0%  |

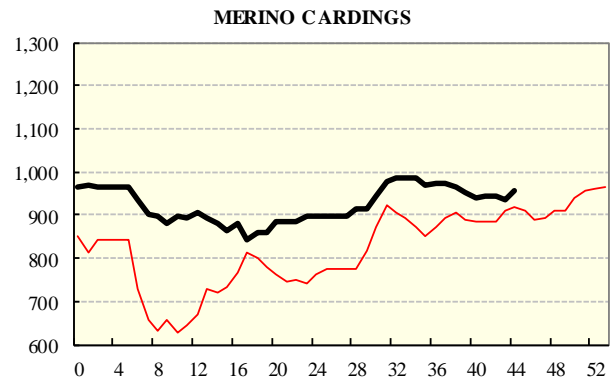
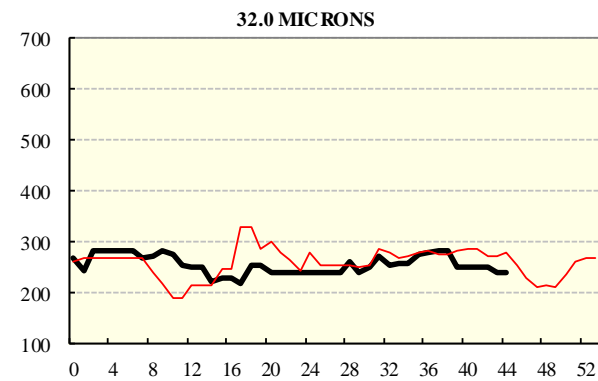
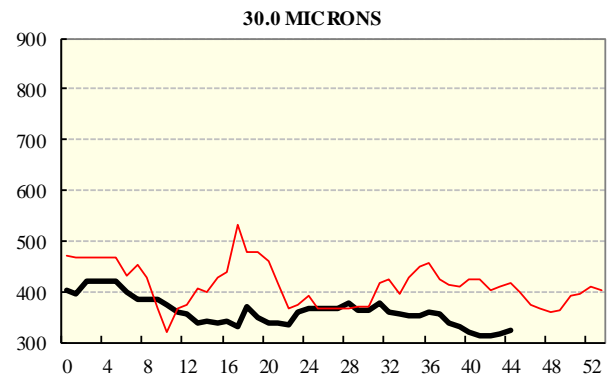
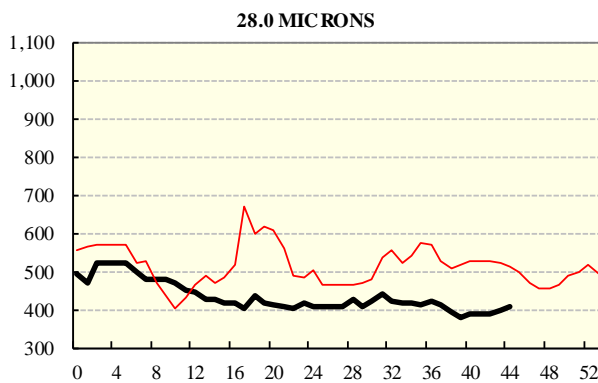
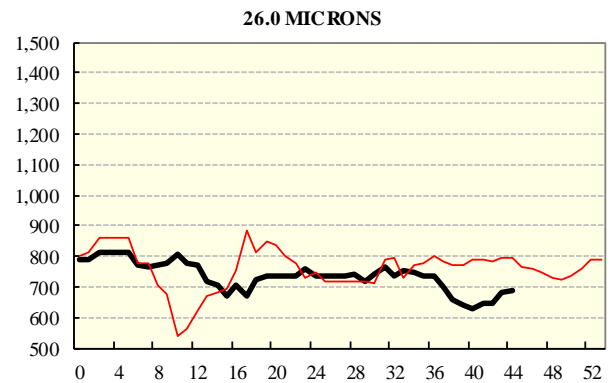
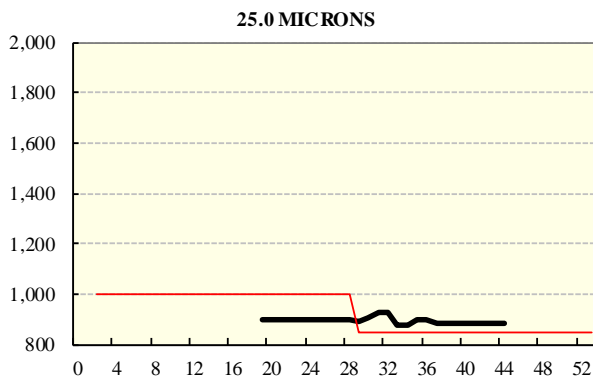
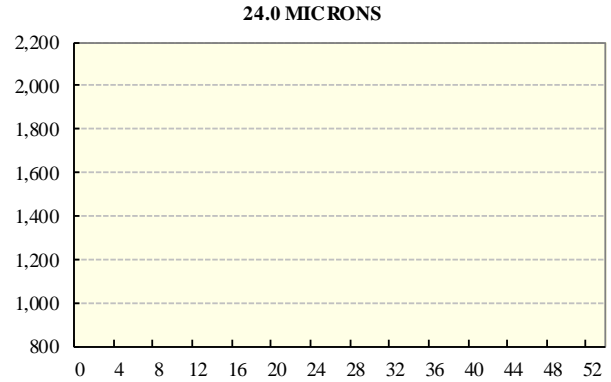
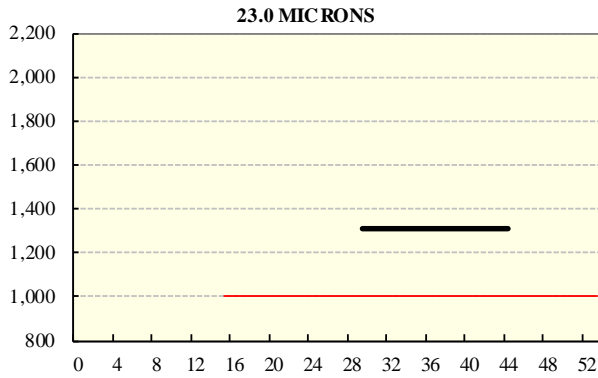
## **AVERAGE AWEX MICRON PRICE GUIDES**

2021/22 ( black graph line) and 2020/21 (red graph line)



## **AVERAGE AWEX MICRON PRICE GUIDES**

2021/22 ( black graph line) and 2020/21 (red graph line)



**EASTERN MARKET INDICATOR (EMI) SINCE 1999/00 (¢/kg clean)**  
(In Australian, United States and European Currencies)

