

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

Unit 9, 42 - 46 Vella Drive
Sunshine West
Australia
Tel: 03 9311 0103
Fax: 03 9311 0138

Email: awis@woolindustries.org
Web: www.woolindustries.org
ABN: 30 454 304 967
Reg No: A0041776E



AWIS WOOL MARKET REVIEW

Week Ending 7 February 2020 (Week 32).

The AWEX EMI finished 29¢ higher (+1.9%) in Australian currency and 23¢ higher (+2.2%) in US currency at sales in Sydney, Melbourne and Fremantle in Week 32. It is 19¢ above the Pre-Christmas close.

30,562 bales were on offer nationally, compared with 33,700 bales last sale. 14.8% of the offering was passed in after 11.5% of the potential offering was withdrawn prior to sale.

AWEX reports that the value of the wool sold was \$43.4 million (\$1,667 per bale), taking the season total to \$1.271 billion (\$1,711 per bale). The number of bales sold at auction this season is now 16.8% less than in 2018/19.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 32)									
Centre	Last Sale		Day-to-Day Changes (Week 32)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	31	1548	No Sale	+8	+21	+29 (+1.9%)	1577	+23	+23
Northern	31	1578	No Sale	+14	+20	+34 (+2.2%)	1612	+27	+26
Southern	31	1529	No Sale	+5	+21	+26 (+1.7%)	1555	+21	+21
Western	31	1683	No Sale	+9	+17	+26 (+1.5%)	1709	+21	+22

Wool exporters were not sure what to expect when sales opened on Wednesday, given the uncertainty associated with the coronavirus outbreak. It was a good result for sellers when the EMI moved up by a total of 29¢ over both days. However, this was not enough to prevent relatively high Withdrawn and Passed-In Rates on both days.

There were gains in the AWEX Micron Price Guides (MPGs) across all micron ranges, with the greatest gains at the fine end of the Merinos. Crossbreds had a better week than the previous one, but were still behind the Merinos. All types finished the sale on a positive note.

The US Exchange Rate finished 0.21¢ (0.3%) higher to close at 67.60¢ on Thursday.

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

In other countries, the South African Cape Wools Indicator was up by 1.6% since last week against a 0.8% depreciation of the Rand against the US Dollar and a 0.6% depreciation against the Euro.

Looking ahead, offerings for the coming three sales are expected to range from 36,381 bales to 42,932 bales and to be 9.5% less than in the same period last year. The forecast progressive difference to Week 35 is -10.8%.

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	No 22.0µ MPG	No 22.0µ MPG	No 22.0µ MPG	No 22.0µ MPG	No 22.0µ MPG

Market Indicator	Changes From			
	Four Sales Ago Week 25	Start of the Season	Week 32 Last Year	Season Average to Week 32 Last Year
Eastern Market Indicator	+19 (+1.2%)	-162 (-9.3%)	-367 (-18.9%)	-402 (-20.6%)
Western Market Indicator	+38 (+2.3%)	-172 (-9.1%)	-392 (-18.7%)	-451 (-21.4%)

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 ¢	+47	+58	+55	+40	+29	+33	+27	+36	+42			
Change %	+2.2%	+2.9%	+2.8%	+2.1%	+1.6%	+1.8%	+1.5%	+2.0%	+2.4%			
Since Start of the Season												
Change ¢	+5	-65	-115	-184	-187	-211	-219	-230	-231			
Change %	+0.2%	-3.0%	-5.4%	-8.7%	-9.1%	-10.4%	-10.8%	-11.3%	-11.4%			
Since Same Week Last Year												
Change ¢	-405	-454	-491	-523	-480	-478	-472	-465	-460			
Change %	-15.7%	-17.9%	-19.6%	-21.3%	-20.5%	-20.7%	-20.7%	-20.5%	-20.4%			

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 ¢		+3	+16	+14	+4	+12
Change %		+0.3%	+2.0%	+2.2%	+1.0%	+1.1%
Since Start of the Season						
Change ¢		-246	-225	-202	-174	+161
Change %		-18.3%	-21.5%	-23.8%	-29.5%	+16.3%
Since Same Week Last Year						
Change ¢		-244	-229	-238	-101	+15
Change %		-18.2%	-21.8%	-26.9%	-19.6%	+1.3%

MC Average Merino Cardings Price Guide

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AWIS WOOL MARKET REVIEW Week Ending 7 February 2020 (Week 32)

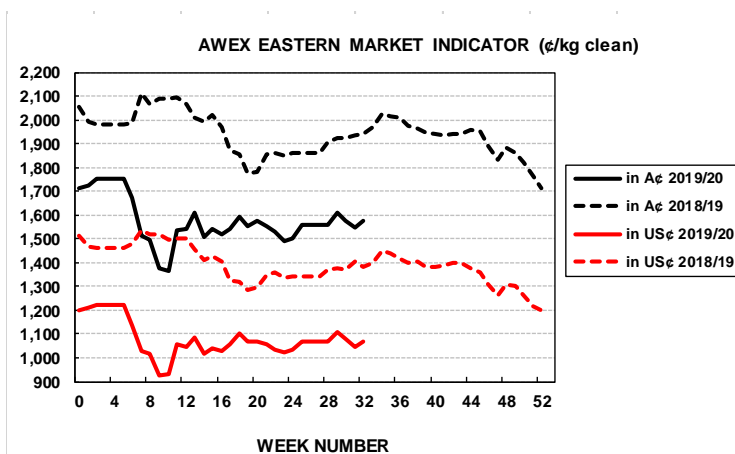
The following tables show the details of this week's sale offering; the expected offerings over the next three sales; the changes in Exchange Rates since the previous sale; and highlights from the December ABS export data.

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 st Time Bales
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re-Offered	Bales Sold	Bales	%	%
North	8,938	9,129	12.3%	6.9%	10.3%	8,007	-30,016	-10.9%	-14.3%
South	17,165	14,027	14.8%	13.7%	8.7%	11,945	-69,225	-13.4%	-16.3%
West	7,597	7,406	18.0%	12.6%	21.7%	6,075	-8,869	-4.6%	-10.2%
Australia	33,700	30,562	14.8%	11.5%	12.3%	26,027	-108,110	-11.0%	-14.6%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 33	Week 34	Week 35	Differences
North	8,054	8,480	10,070	-8.1%
South	24,164	19,651	19,015	-10.5%
West	10,714	8,250	8,400	-8.5%
New Zealand		1,700		
Australia	42,932	36,381	37,485	116,798
Differences	+6.9%	-9.0%	-23.4%	-9.5%

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	67.39	-0.15	-0.28	+0.23	+0.19	+0.22	+0.21 (+0.3%)	67.60	67.17	70.36
Euro	61.17	-0.18	-0.57	+0.33	+0.31	+0.42	+0.31 (+0.5%)	61.48	60.42	62.48

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to December	
	December 2019	July to December 2019/20	July to December 2018/19	By Weight	By Value
China	76.1%	76.8%	74.7%	-12.9%	-32.4%
India	7.6%	6.2%	6.7%	-22.2%	-37.0%
Italy	5.1%	5.8%	6.1%	-19.3%	-37.0%
Czech Republic	3.0%	3.1%	3.8%	-30.2%	-48.6%
Korea	2.5%	2.1%	3.0%	-35.6%	-46.8%
Egypt	1.1%	1.3%	0.9%	+21.9%	-5.2%
Thailand	1.0%	0.9%	1.1%	-25.4%	-47.5%
Taiwan	0.8%	0.6%	0.8%	-28.2%	-49.8%
Change all Countries				-15.4%	-34.1%



AVERAGE EMI	
This Year	1553
Last Year	1939
2017/18	1739
2016/17	1408
2015/16	1254

SEASON AVERAGES		
Region	This Year	Diff
North	1583	-399
South	1533	-379
West	1657	-432

THIS YEAR'S EMI	
This Week	1577
First Week	1723
Low (10/01)	1365
High (11/01)	1754

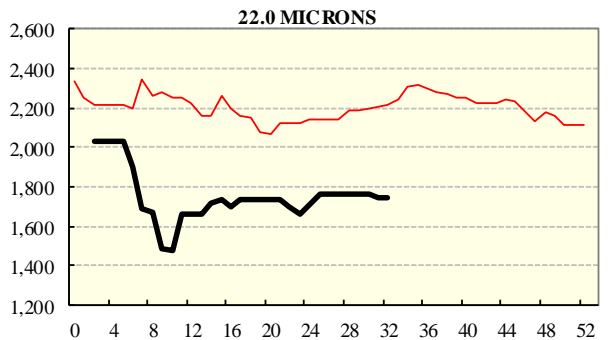
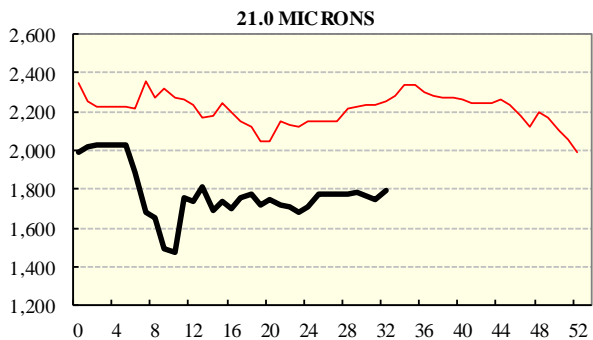
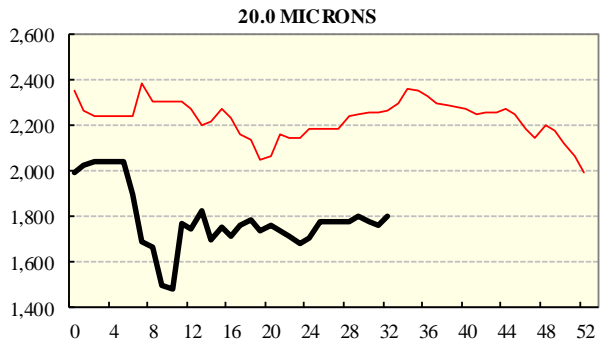
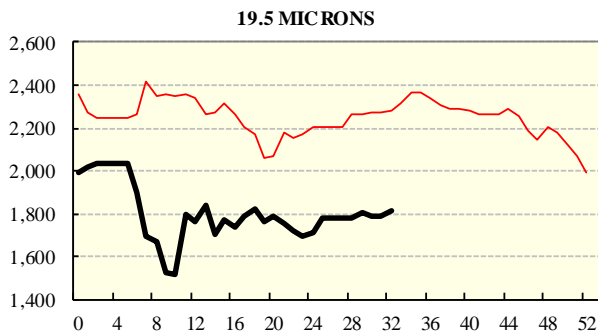
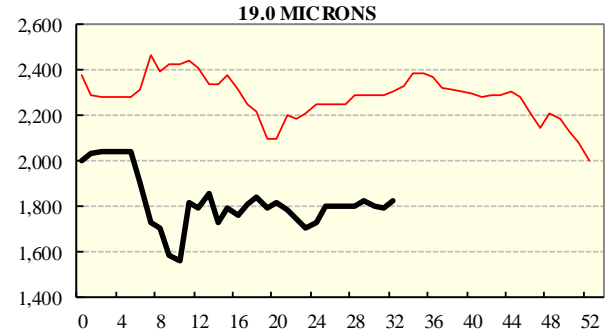
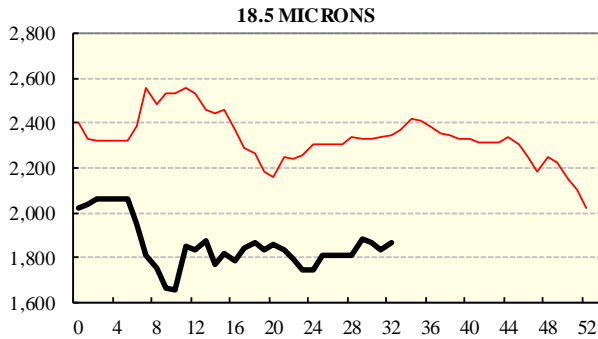
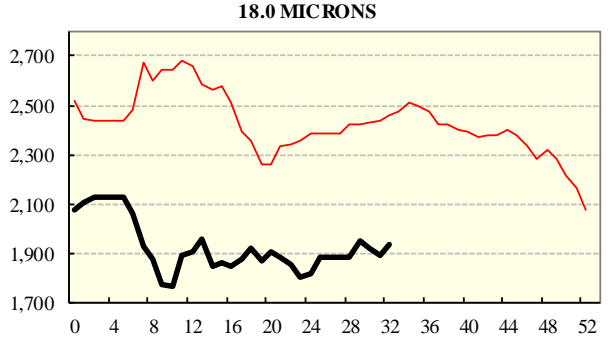
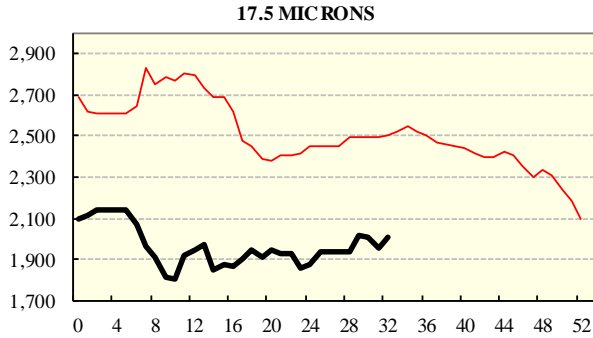
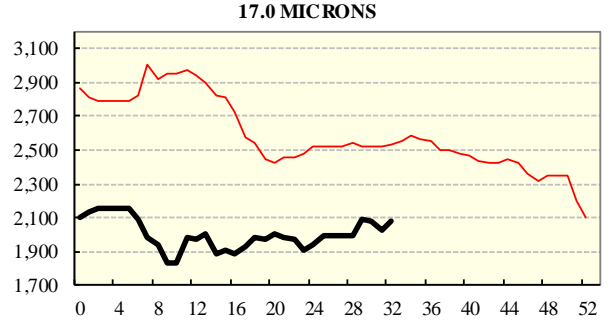
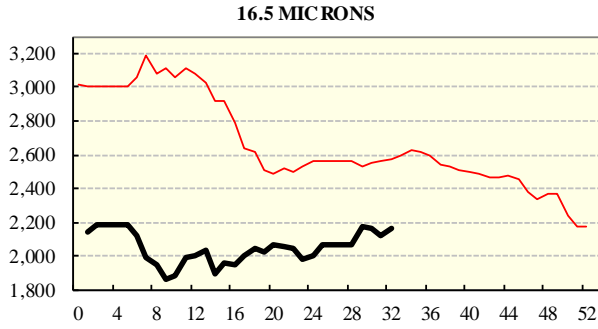
COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1612	-147
South	1555	-170
West	1709	-172

BALES OFFERED	
This Year	878,974
Last Year	987,084
Difference	-108,110
% Diff	-11.0%
FIRST OFFERED BALES	
Difference	-14.6%
% of Offering	90.2%

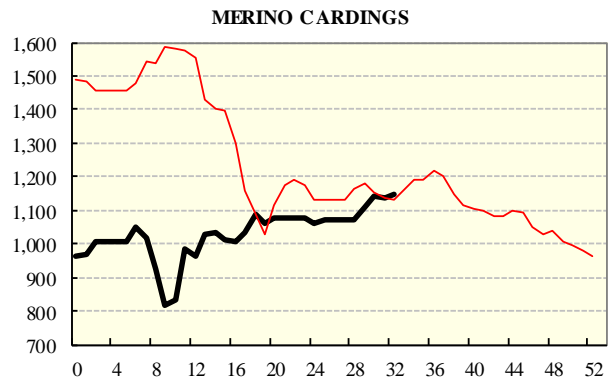
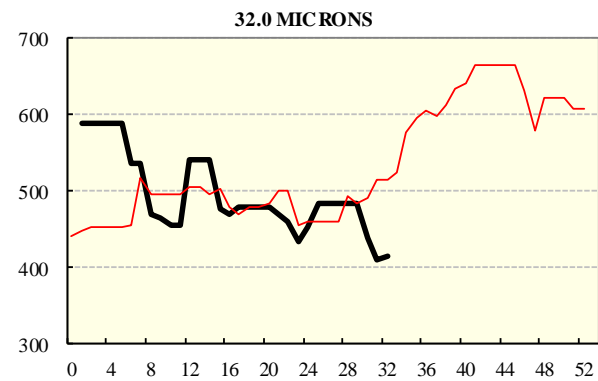
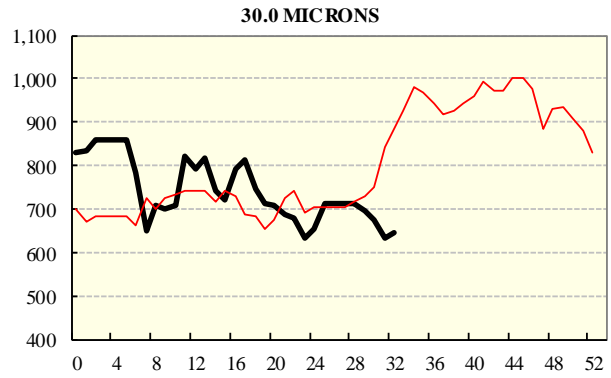
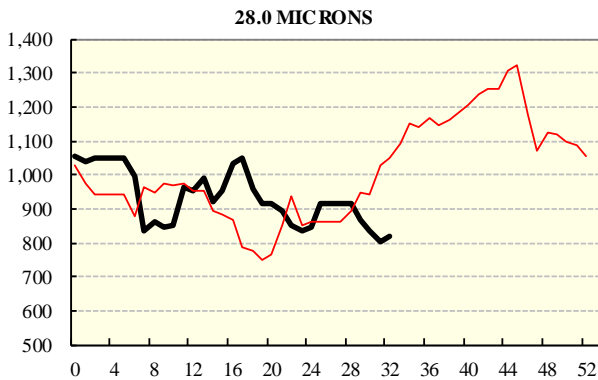
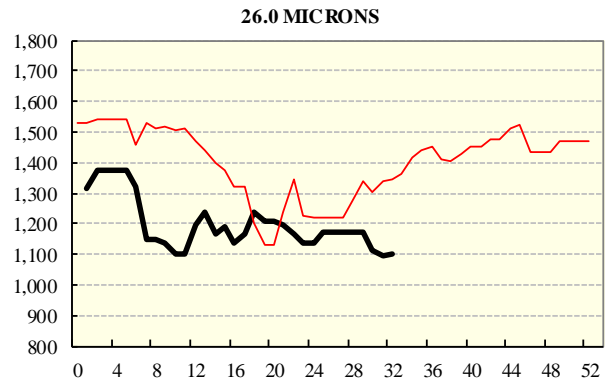
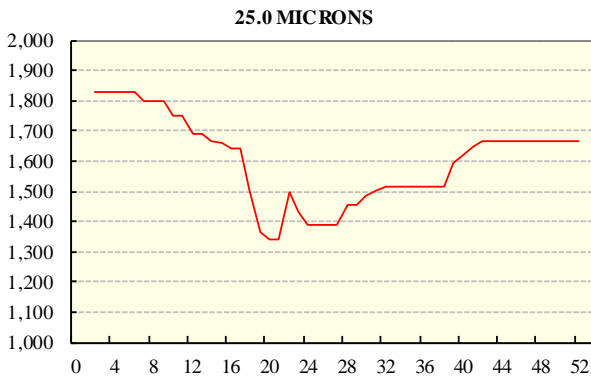
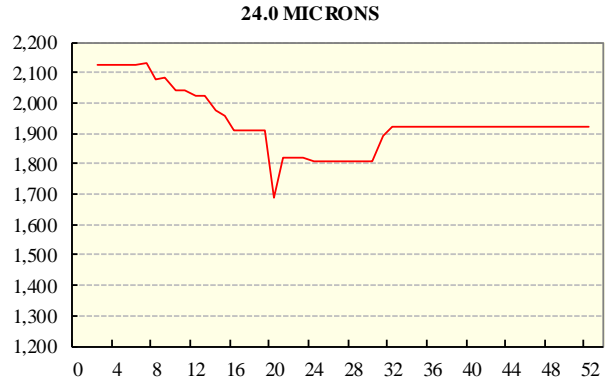
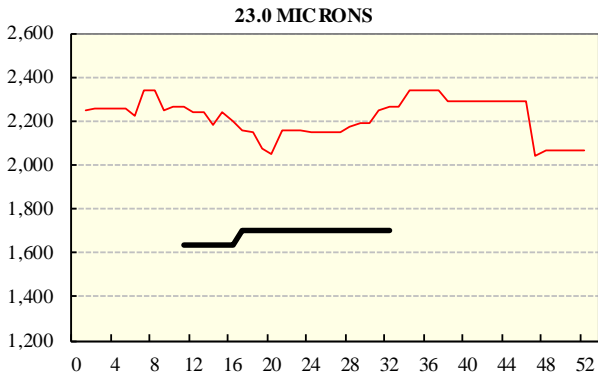
REGION BALES		
This Sale:		
North	9,129	
South	14,027	
West	7,406	
Progressive Totals:		Diff
North	246,539	-10.9%
South	448,232	-13.4%
West	184,203	-4.6%

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)

