

# AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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## AWIS WOOL MARKET REVIEW

**Week Ending 9 August 2019 (Week 06).**

The AWEX EMI finished at 1676¢, 78¢ lower (-4.4%) in Australian currency and 88¢ lower (-7.2%) in US currency at sales in Sydney, Melbourne and Fremantle this week.

41,543 bales were on offer nationally, compared with 34,078 bales last sale. 28.6% of the offering was passed in, including 53.5% in Fremantle.

AWEX reports that the value of the wool sold was \$51.1 million (\$1,724 per bale), taking the season total to \$164.9 million (\$1,869 per bale).

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 06)									
Centre	Last Sale		Day-to-Day Changes (Week 06)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	02	1754	No Sale	-31	-47	-78 (-4.4%)	1676	-88	-72
Northern	02	1780	No Sale	-30	-46	-76 (-4.3%)	1704	-87	-71
Southern	02	1737	No Sale	-32	-46	-78 (-4.5%)	1659	-87	-73
Western	02	1894	No Sale	-59	-75	-134 (-7.1%)	1760	-128	-109

Although the market finished on a firm note in the last sale before the Break in Sales, all that good work was overshadowed by the increasing global economic uncertainty associated with the trade and / or political disputes between the US and China (in particular) the US and India, the US and Iran; and Brexit. Commodity prices (apart from gold) invariably come under pressure in such circumstances.

The US Exchange Rate finished 1.97¢ (-2.8%) lower to close at 67.75¢ on Thursday; after falling to 67.16¢ on Wednesday. This was the lowest value since the middle of March in 2009, when it was 66.13¢.

The greatest impact on prices was from 18.5 microns and up among the Merinos, and at 30 and 32 microns in the Crossbreds. Oddments went against the trend, with increases on both days, leading to a 4.1% increase in the average AWEX Merino Cardings Indicator.

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

In other countries, South African sales were due to resume in week 07, but will not be attended by buyers (see AWIS Newsletter).

Looking ahead, offerings for the coming three sales are expected to range from 30,645 bales to 44,836 bales and to be 8.1% more than in the same period last year. The forecast progressive difference to Week 9 is -8.0%.

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	80¢	136¢	142¢	166¢	207¢

Market Indicator	Changes From			
	Four Sales Ago Week 51	Start of the Season	Week 06 Last Year	Season Average to Week 06 Last Year
Eastern Market Indicator	-90 (-5.1%)	-63 (-3.6%)	-314 (-15.8%)	-270 (-13.6%)
Western Market Indicator	No Sale	-121 (-6.4%)	-398 (-18.4%)	-307 (-14.3%)

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 ¢	-68	-60	-69	-72	-111	-141	-143	-143	-145	-130	
Change %	-3.1%	-2.8%	-3.2%	-3.4%	-5.4%	-6.9%	-7.0%	-7.0%	-7.1%	-6.4%	
Since Start of the Season											
Change ¢	-46	-50	-55	-59	-101	-135	-135	-135	-138	-130	
Change %	-2.1%	-2.3%	-2.6%	-2.8%	-4.9%	-6.6%	-6.7%	-6.7%	-6.8%	-6.4%	
Since Same Week Last Year											
Change ¢	-945	-730	-572	-421	-435	-413	-368	-349	-335	-290	
Change %	-30.9%	-25.8%	-21.6%	-17.0%	-18.2%	-17.8%	-16.3%	-15.6%	-15.1%	-13.2%	

Sale-to-Sale Changes in Other Average AWEX Price Guides					
Micron	25.0	26.0	28.0	30.0	32.0
Since Last Sale					
Change ¢		-55	-52	-77	-52
Change %		-4.0%	-5.0%	-8.9%	-8.8%
Since Start of the Season					
Change ¢		-26	-48	-64	-53
Change %		-1.9%	-4.6%	-7.5%	-9.0%
Since Same Week Last Year					
Change ¢		-137	+118	+123	+80
Change %		-9.4%	+13.4%	+18.6%	+17.5%

# Average Merino Cardings Price Guide

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## AWIS WOOL MARKET REVIEW

Week Ending 9 August 2019 (Week 06)

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.

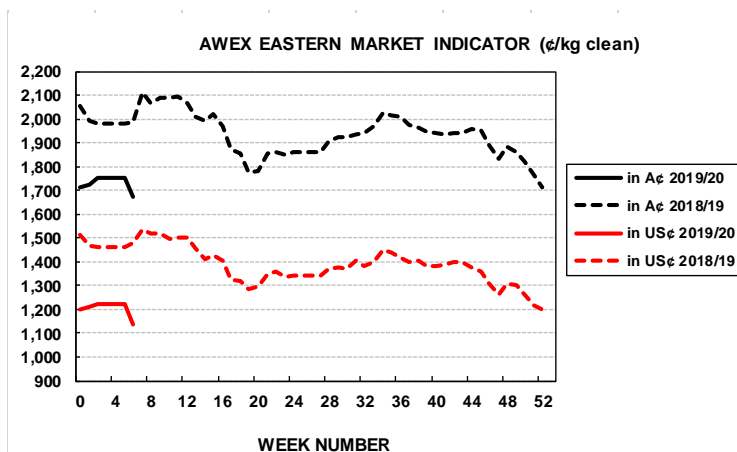
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re-Offered	Bales Sold
North	11,890	13,059	19.7%	3.2%	4.1%	10,490
South	17,066	21,125	25.6%	2.0%	5.3%	15,726
West	5,122	7,359	53.5%	14.2%	14.1%	3,425
Australia	34,078	41,543	28.6%	4.8%	6.5%	29,641

Progressive Changes from Last Year		
All Bales		1 <sup>st</sup> Time Bales
Bales	%	%
-10,745	-22.4%	-23.6%
-15,336	-23.8%	-27.3%
-1,146	-5.4%	-11.7%
-27,227	-20.3%	-23.6%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 07	Week 08	Week 09	Differences
North	13,984	10,460	10,025	+1.9%
South	21,231	20,185	17,356	+10.3%
West	8,388	No Sale	7,400	+6.1%
New Zealand	2,060		1,500	
Australia	44,836	30,645	34,781	110,262
Differences	+23.5%	+3.2%	-3.4%	+8.1%

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	69.72	-1.60	Public	-0.28	-0.68	+0.59	-1.97 (-2.8%)	67.75	67.75	70.36
Euro	61.86	-0.38	Holiday	-0.89	-0.66	+0.49	-1.44 (-2.3%)	60.42	60.42	62.36

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change	
	June 2019	July to June 2018/19	July to June 2017/20	July to June By Weight	July to June By Value
China	81.1%	78.0%	78.4%	-15.1%	-3.0%
India	5.4%	5.8%	5.9%	-15.9%	-5.6%
Italy	1.5%	4.6%	4.0%	-1.0%	+9.6%
Czech Republic	4.0%	3.6%	5.3%	-41.3%	-33.1%
Korea	2.1%	2.4%	2.0%	+23.8%	+32.9%
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	1718
Last Year	1939
2017/18	1739
2016/17	1408
2015/16	1254

THIS YEAR'S EMI	
This Week	1676
First Week	1723
Low (0/01)	1676
High (0/01)	1754

BALES OFFERED	
This Year	106,612
Last Year	133,839
Difference	-27,227
% Diff	-20.3%
FIRST OFFERED BALES	
Difference	-23.6%
% of Offering	91.2%

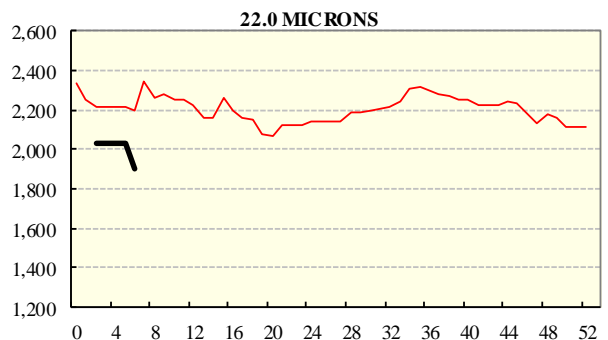
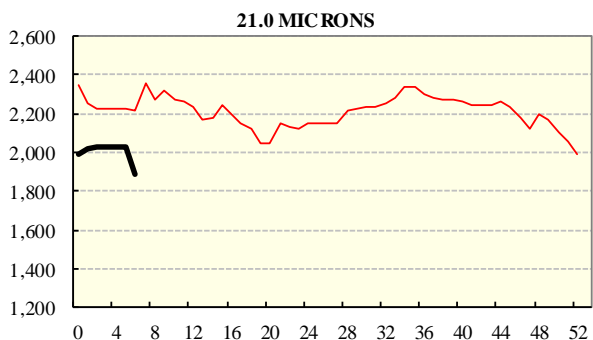
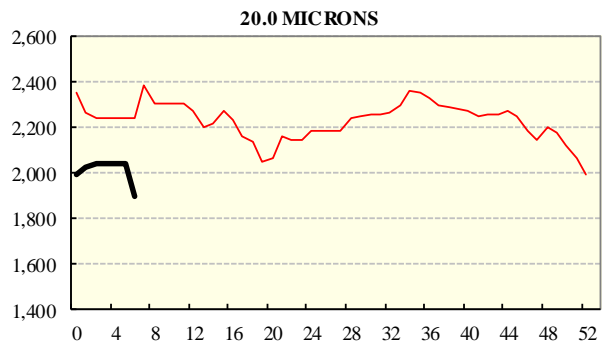
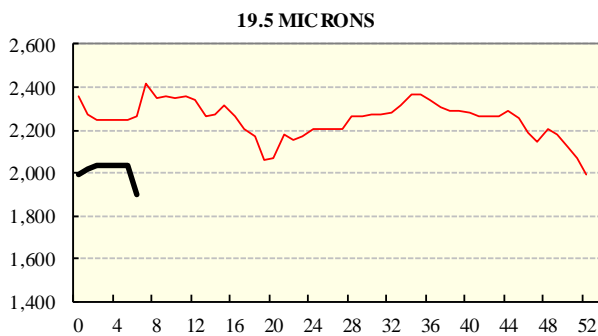
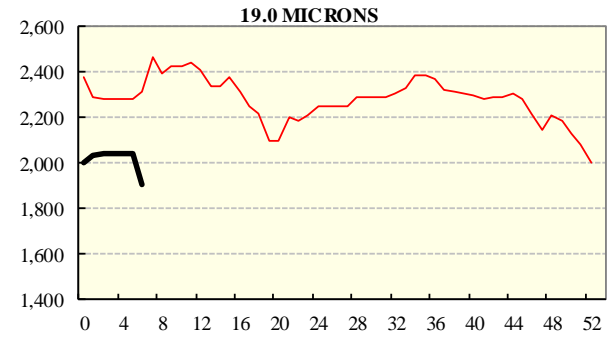
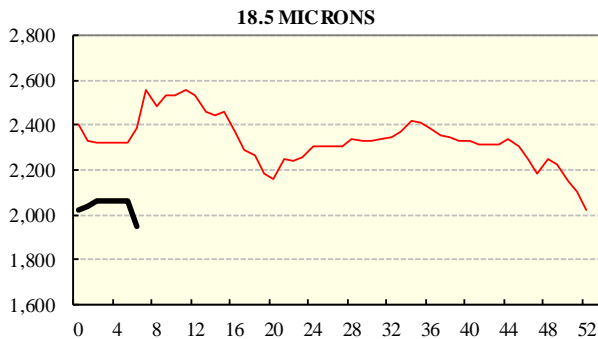
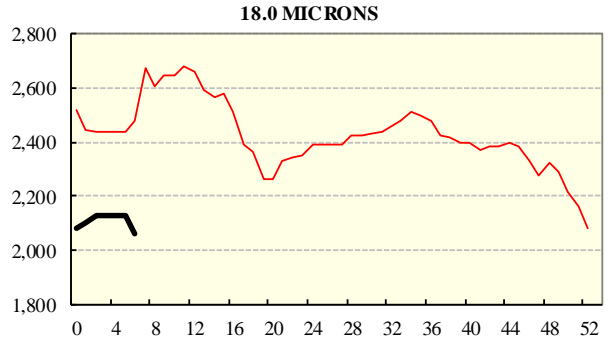
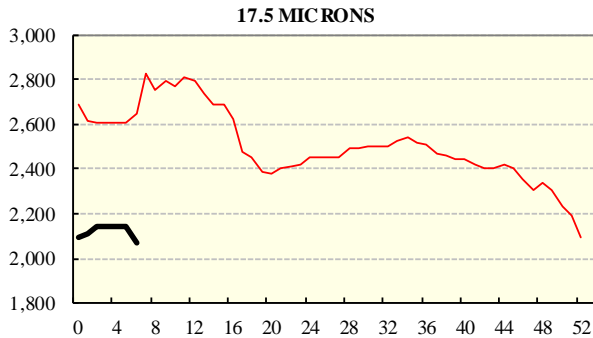
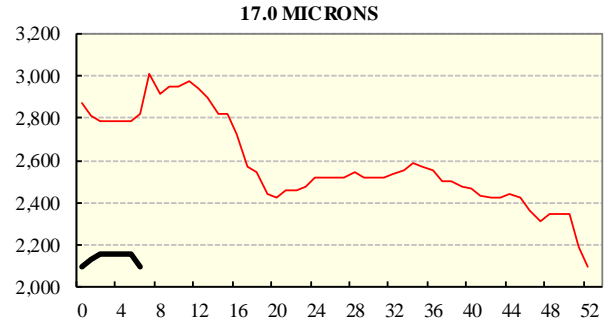
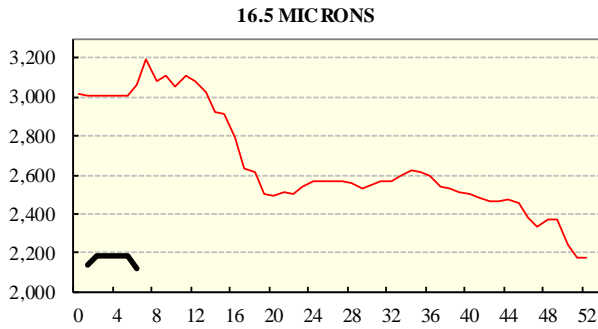
SEASON AVERAGES		
Region	This Year	Diff
North	1741	-241
South	1703	-209
West	1840	-248

COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1704	-55
South	1659	-66
West	1760	-121

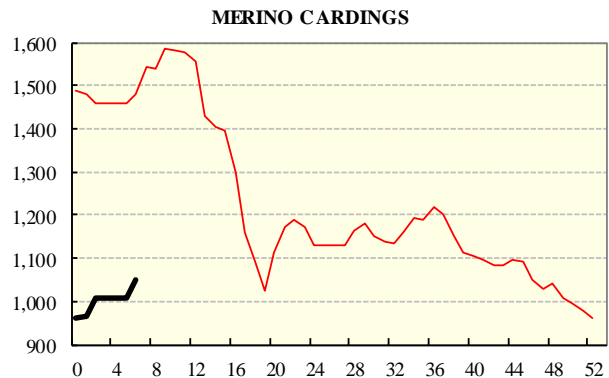
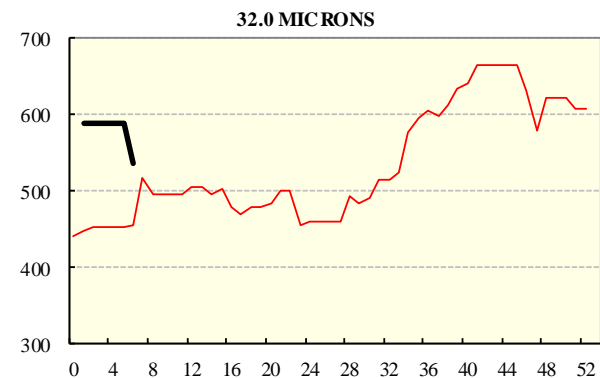
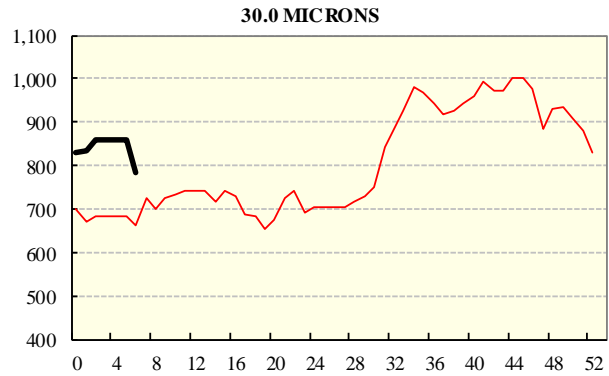
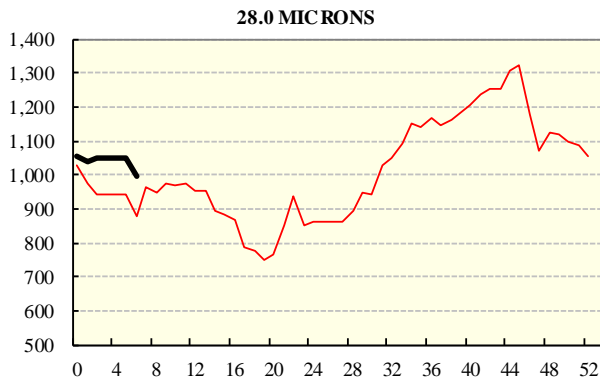
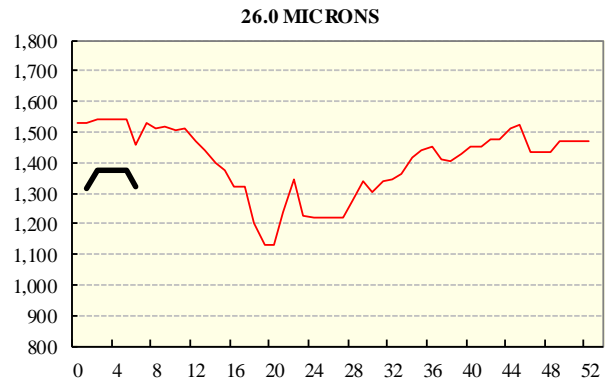
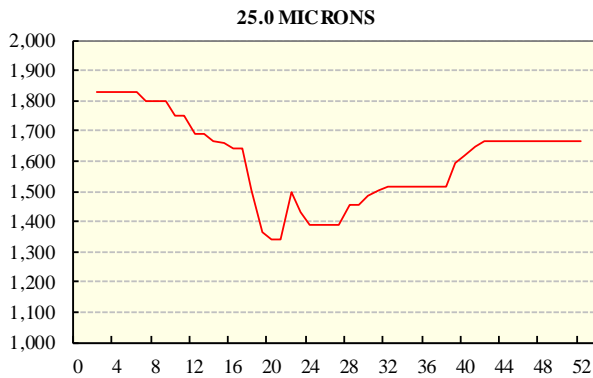
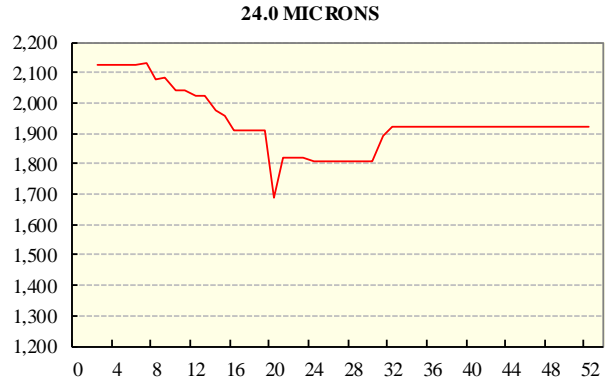
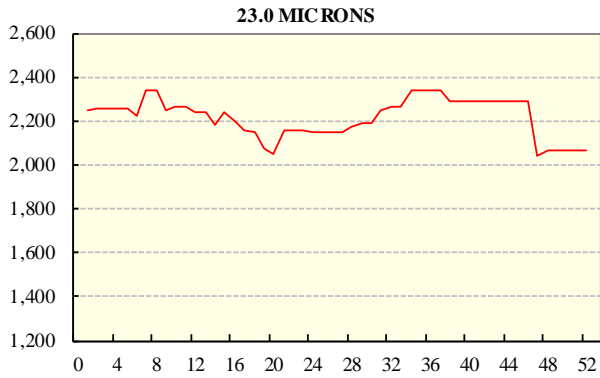
REGION BALES		
This Sale:		
North	13,059	
South	21,125	
West	7,359	
Progressive Totals:		Diff
North	37,317	-22.4%
South	49,156	-23.8%
West	20,139	-5.4%

## **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)

