

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW

Week Ending 18 May 2018 (Week 46)

In another record week, the AWEX EMI finished 52¢ higher (+2.7%) in Australian currency and 55¢ higher (+3.9%) in US currency at sales in Sydney, Melbourne and Fremantle this week. The Western Market Indicator finished 62¢ higher (+3.1%) in Australian currency and 63¢ higher (+4.2%) in US currency

36,398 bales were on offer nationally, compared with 37,842 bales last sale. 2.3% of the offering was passed in.

AWEX reports that the value of the wool sold was \$73.2 million (\$2,059 per bale). The season total is now \$3.1 billion, \$595 million (24.0%) greater than at the same week last year.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 46)									
Centre	Last Sale		Day-to-Day Changes (Week 46)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	45	1891	No Sale	+21	+31	+52 (+2.7%)	1943	+55	+49
Northern	45	1940	No Sale	+26	+29	+55 (+2.8%)	1995	+57	+51
Southern	45	1859	No Sale	+18	+33	+51 (+2.7%)	1910	+54	+48
Western	45	2018	No Sale	+30	+32	+62 (+3.1%)	2080	+63	+57

Strong inquiry from Australia's customers led to a week of sustained strong demand across all Merino types and micron ranges; and among the fine crossbreds (up to 26 microns). The rise in the US Exchange Rate appeared to have little effect.

This continued the exceptional pattern of buying activity seen in the six sales since Easter in which the EMI has closed at a new record in five of the six weeks; and the EMI is 171¢ (9.7%) higher than at the close prior to Easter, while the WMI is 209¢ (11.2%) higher.

All closing Regional Indicators and individual MPGs up to 28 microns finished at their highest levels since we started recording individual MPG values in 2005. The one exception was the 17.0 MPG, which was 11¢ below its peak value.

The greatest gains again were from 20 microns up to 24 microns, whose year-to-year increases are the highest across all micron ranges. They range from +34.1% to +49.0%. This was the cause of the greater rise in the WMI than in the EMI.

The US Exchange Rate finished 0.82¢ (1.1%) higher to close at 75.40¢ on Thursday.

Buyers for China were dominant, with support from buyers for India, Europe and Korea. Trade reports indicate Indian buying activity for India has lifted in recent weeks.

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	177¢	322¢	511¢	671¢	No 16.5µ MPG
South	179¢	313¢	503¢	686¢	No 16.5µ MPG

Market Indicator	Changes From			
	Four Sales Ago Week 42	Start of the Season	Week 46 Last Year	Season Average to Week 46 Last Year
Eastern Market Indicator	+118 (+6.5%)	+420 (+27.6%)	+421 (+27.7%)	+301 (+21.6%)
Western Market Indicator	+146 (+7.5%)	+514 (+32.8%)	+545 (+35.5%)	+322 (+22.3%)

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 ¢		+44	+35	+46	+54	+50	+63	+75	+86	+96	+106	+96
Change %		+1.6%	+1.4%	+1.9%	+2.4%	+2.3%	+3.0%	+3.6%	+4.2%	+4.7%	+5.3%	+5.2%
Since Start of the Season												
Change ¢		+608	+470	+336	+319	+385	+466	+540	+599	+649	+661	
Change %		+27.8%	+21.8%	+16.0%	+16.2%	+21.1%	+27.4%	+33.6%	+39.2%	+44.2%	+46.3%	
Since Same Week Last Year												
Change ¢		+470	+356	+246	+203	+277	+393	+546	+637	+697		
Change %		+20.2%	+15.7%	+11.3%	+9.7%	+14.3%	+22.1%	+34.1%	+42.7%	+49.0%		

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 ¢		+56	+9	+4	-22	+22
Change %		+4.2%	+0.9%	+0.6%	-4.7%	+1.6%
Since Start of the Season						
Change ¢		+287	+241	+150	+61	+271
Change %		+25.9%	+31.4%	+26.8%	+15.9%	+23.3%
Since Same Week Last Year						
Change ¢		+336	+248	+139		+245
Change %		+31.8%	+32.6%	+24.4%		+20.6%

Average Merino Cardings Price Guide

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AWIS WOOL MARKET REVIEW

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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 March ABS export data.

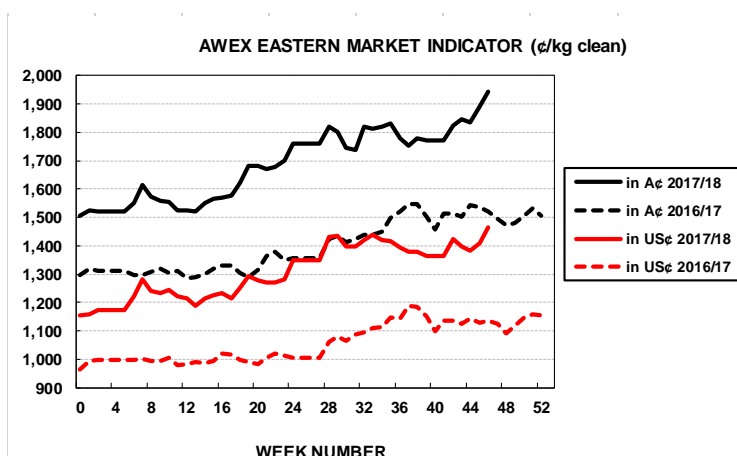
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re-Offered	Bales Sold
North	9,157	11,327	1.6%	0.4%	3.9%	11,144
South	22,032	18,403	2.0%	1.8%	3.5%	18,037
West	6,653	6,668	4.4%	4.4%	10.4%	6,375
Australia	37,842	36,398	2.3%	1.9%	4.9%	35,556

Actual and % Changes in the Progressive Offerings from Last Year	
+6,430	+1.4%
+60,362	+7.2%
-31,900	-8.6%
+34,892	+2.1%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 47	Week 48	Week 49	Differences
North	9,548	9,945	9,305	+5.2%
South	17,845	18,750	17,294	+9.2%
West	4,573	5,550	No Sale	+1.0%
New Zealand				
Australia	31,966	34,245	26,599	+7.0%
Differences	-6.7%	+20.3%	+10.7%	

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	74.58	+0.76	+0.15	-0.41	-0.24	+0.56	+0.82 (+1.1%)	75.40	74.58	80.44
Euro	62.88	+0.38	-0.18	-0.09	+0.21	+0.53	+0.85 (+1.4%)	63.73	62.00	67.39

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to March	
	March 2018	July to March 2017/18	July to March 2016/19	By Weight	By Value
China	79.1%	79.1%	78.9%	+5.8%	+22.3%
India	5.8%	5.3%	6.0%	-6.4%	+8.0%
Italy	5.0%	4.5%	4.5%	+4.6%	+40.0%
Czech Republic	5.2%	5.9%	5.0%	+19.9%	+20.2%
Malaysia	2.1%	1.6%	1.0%	+72.4%	+116.9%
Korea	1.3%	1.4%	1.7%	-4.9%	-8.0%
Taiwan	0.2%	0.6%	0.7%	-2.6%	-13.7%
Egypt	0.7%	1.0%	1.0%	+5.3%	+38.7%
Change all Countries				+10.6%	+20.9%



AVERAGE EMI	
This Year	1695
Last Year	1408
2015/16	1254
2014/15	1102
2013/14	1070

SEASON AVERAGES		
Region	This Year	Diff
North	1772	+303
South	1646	+275
West	1768	+314

THIS YEAR'S EMI	
This Week	1943
First Week	1524
Low (0/01)	1522
High (0/01)	1943

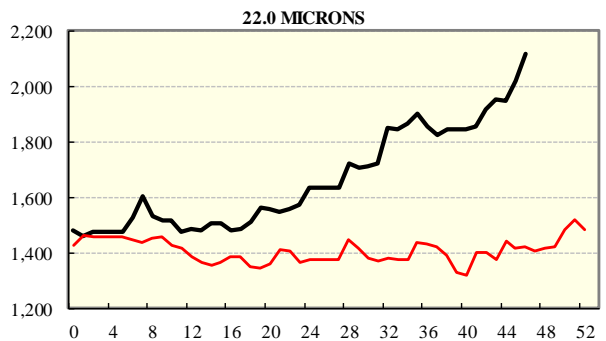
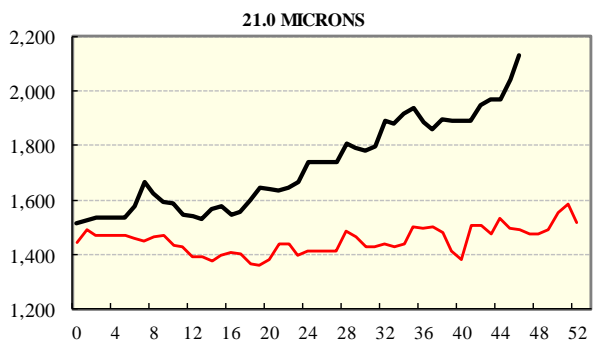
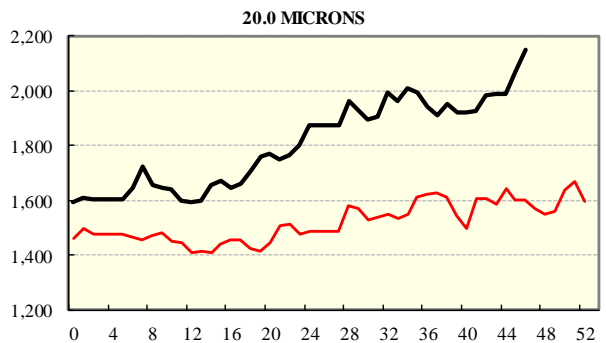
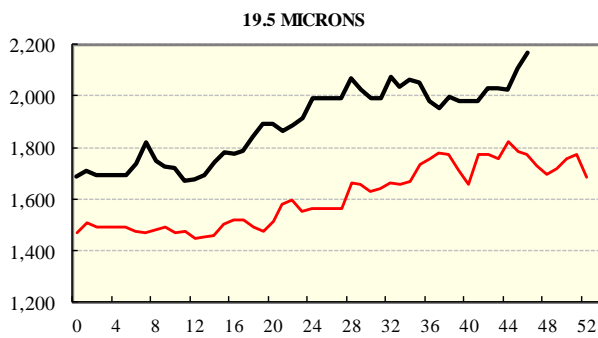
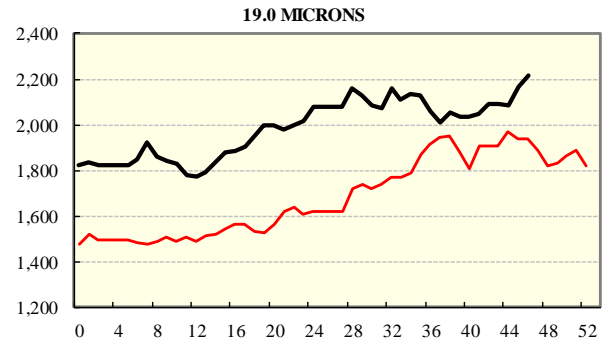
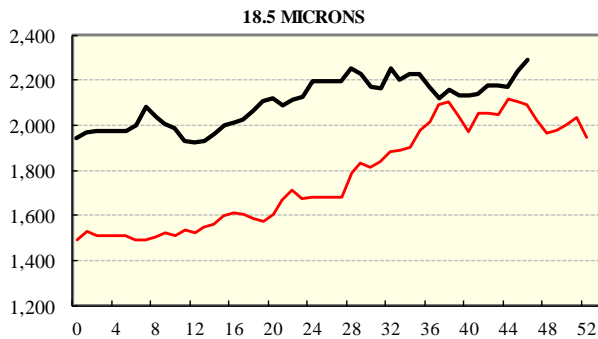
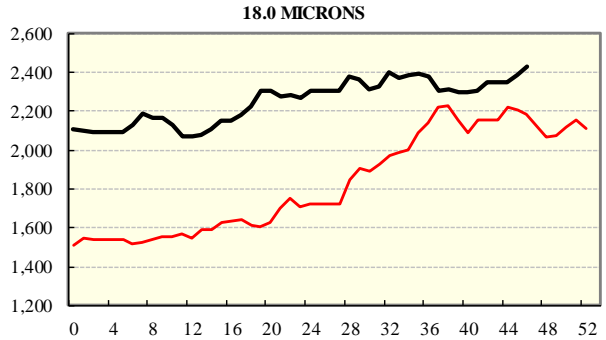
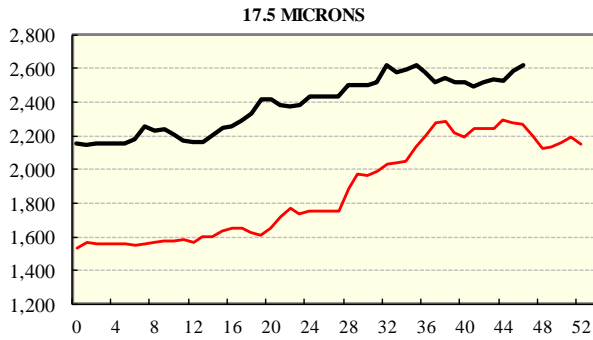
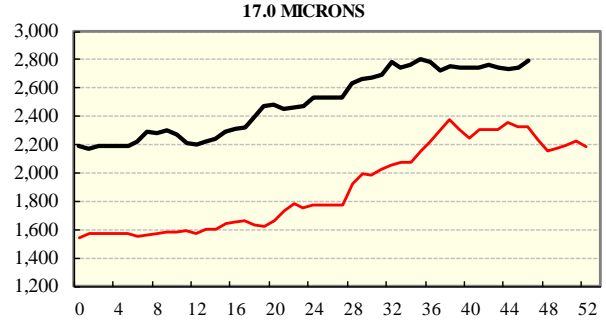
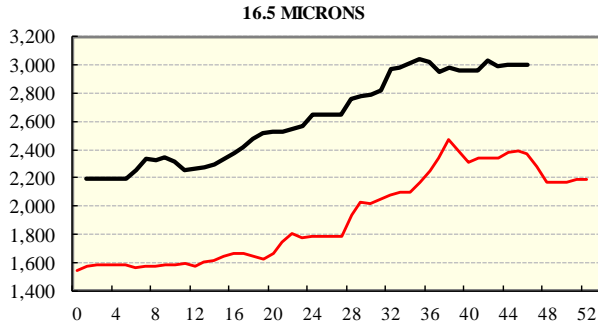
COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1995	+404
South	1910	+430
West	2080	+514

BALES OFFERED	
This Year	1,718,546
Last Year	1,683,654
Difference	+34,892
% Diff	+2.1%
FIRST OFFERED BALES	
Difference	+2.8%
% of Offering	95.6%

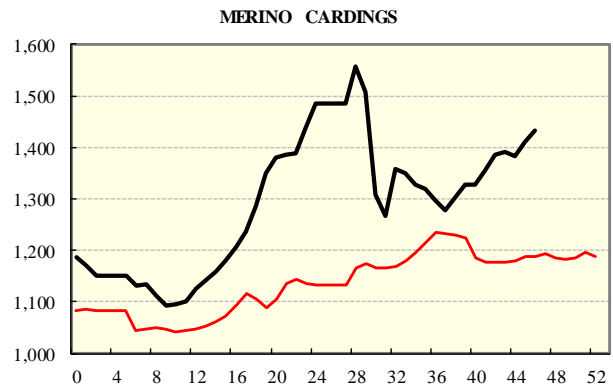
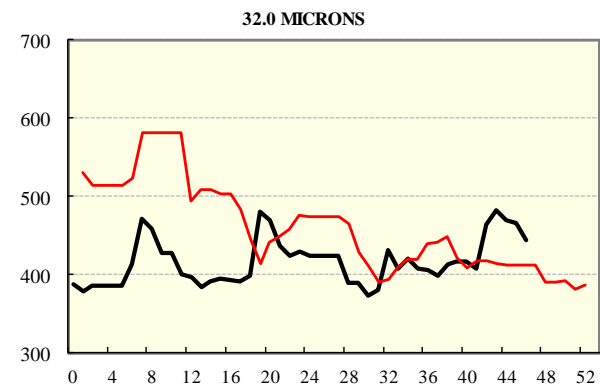
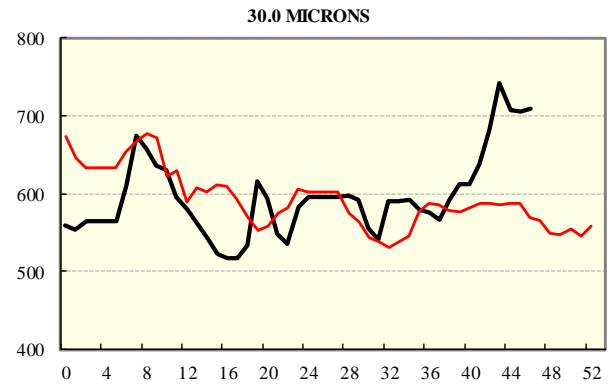
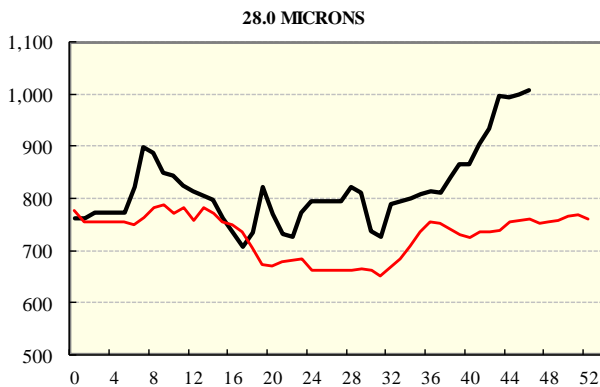
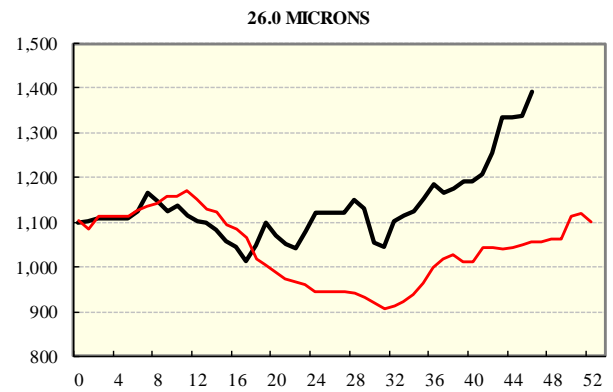
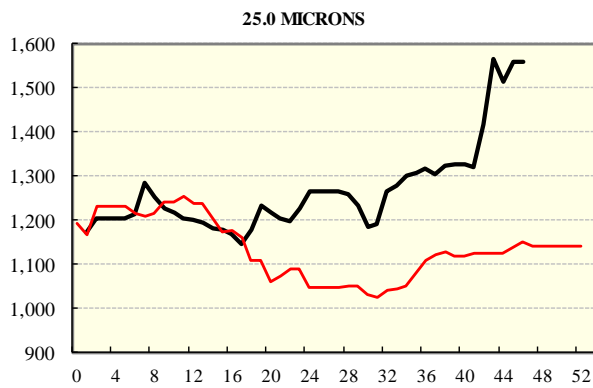
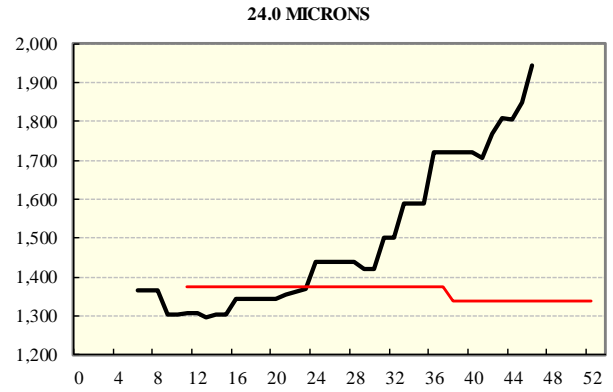
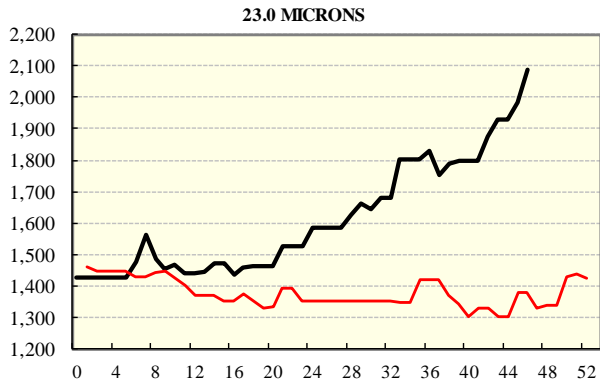
REGION BALES		
This Sale:		
North	11,327	
South	18,403	
West	6,668	
Progressive Totals:		Diff
North	480,145	+1.4%
South	901,342	+7.2%
West	337,059	-8.6%

AVERAGE AWEX MICRON PRICE GUIDES

2017/18(black graph line) and 2016/17 (red graph line)



AVERAGE AWEX MICRON PRICE GUIDES
2017/18(black graph line) and 2016/17 (red graph line)



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

