

Week
29

Weekly Wool Market Report

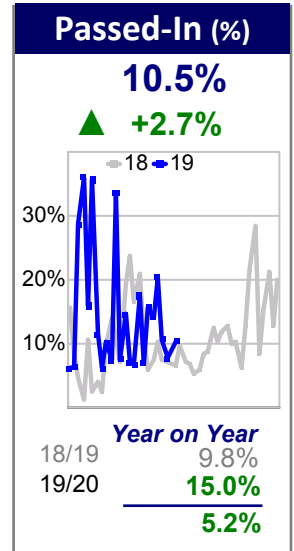
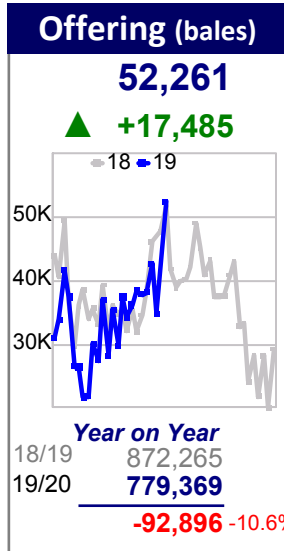
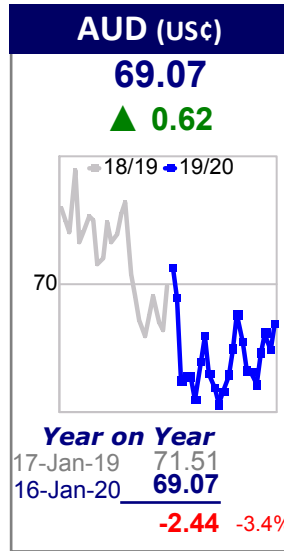
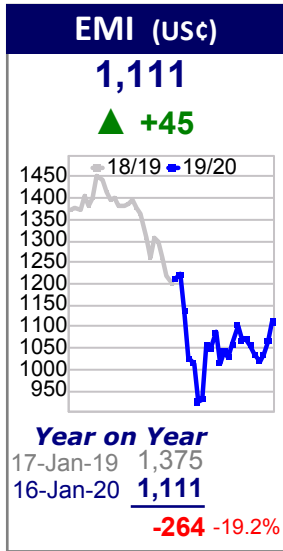
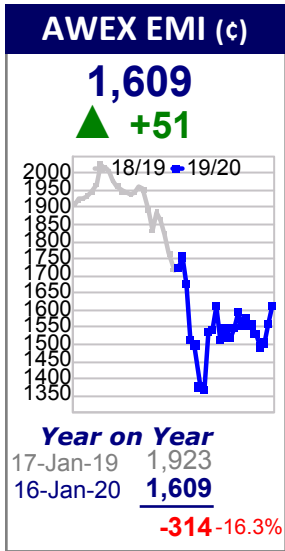
www.awex.com.au

Thursday, 16 January, 2020

Compared to week 25, Wednesday, 18 December, 2019



we know wool



	North Sydney	South Melbourne	West Fremantle
Ind.	1678▲ +79	1566▲ +33	1687▲ +16
16.5	2202 +117	2160 n +107	
17	2122 +117	2082 +93	
17.5	2057 +119	2015 +77	1940 n +59
18	2005 +98	1930 +67	1895 n +48
18.5	1941 +103	1904 +99	1845 +46
19	1909 +91	1838 +49	1794 +7
19.5	1894 +100	1814 +35	1791 +14
20	1878 +86	1803 +32	1787 +12
21	1870 +87	1783 +14	1779 n +7
22			
23			
24			
25			
26	1195 n +15	1166 +2	
28	914 n 0	865 -48	
30		711 -18	
32			
MC	1123 n +52	1089 n +38	1132 n +44

AWEX Comment

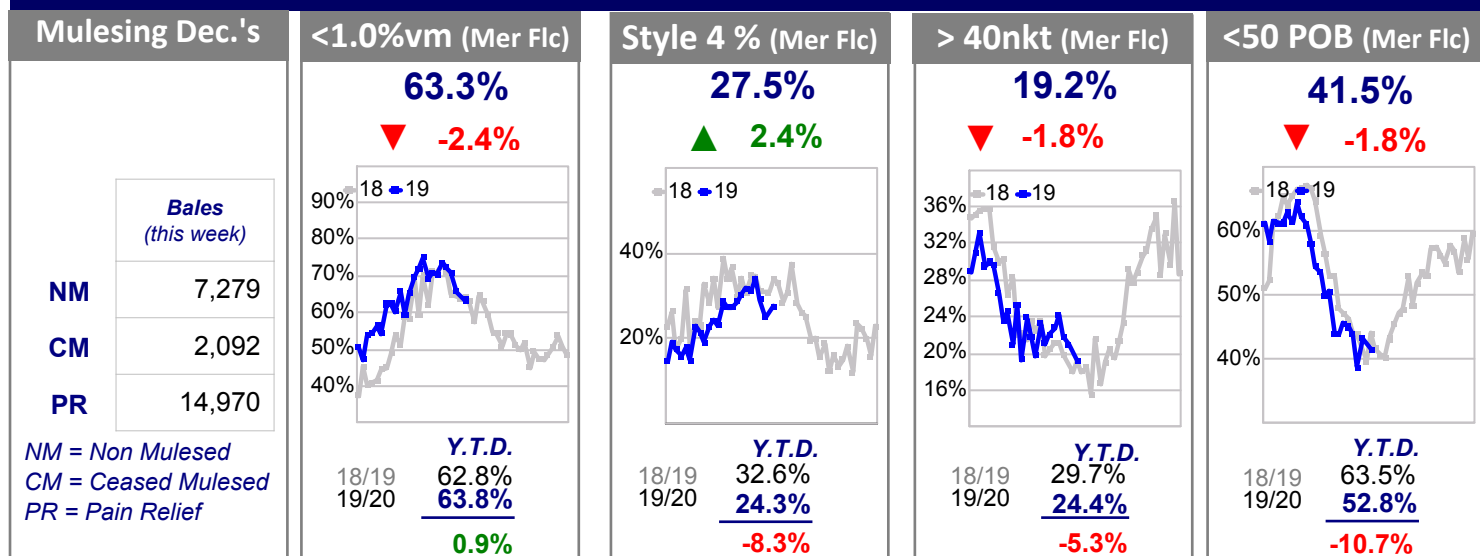
The Australian wool market resumed sales this week, after the annual three-week Christmas recess. The first sale of the new calendar year was another volatile one, with large price fluctuations across the series. This sale is traditionally a larger one, this year the national offering was 52,261 bales. As a three-day sale was required in Melbourne due to the large quantity, Sydney sold in the unusual pattern of Tue/Wed to avoid Melbourne selling in isolation. From the opening hammer on the first day of selling, it was immediately apparent that large price increases were on the cards. By day's end all types and descriptions across all merino microns rose by 90 to 140 cents. On the back of these rises, the individual Merino Price Guides (MPGs) in Sydney and Melbourne jumped by 93 to 135 cents. These increases helped to push the AWEX Eastern Market Indicator (EMI) up by 79 cents, this was the largest daily rise in the EMI since September last year. All three centres were in operation on the second selling day. As the Western region missed out on the price rises of the previous day, the Fremantle market opened very strongly, with general price rises of 90 to 100 cents. However, midway through the sale, buyers started to continually reduce their limits as they accumulated wool. By the end of the day the price rises had almost completely deteriorated. The downward trend experienced in the West was continued when Melbourne opened on the final day, so much so that the Southern MPGs for 17.5 micron and coarser fell by 27 to 77 cents. The EMI lost 34 cents for the day. Despite the final day losses, the EMI still recorded overall positive movement for the series, adding 51 cents for the week, to close at 1,609 cents. Next week's national offering increases to 59,890 bales.



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Offering Analysis



Totals (This Week)							Totals (This Season)							
	Offered	Sold	Sold Prior	PI/NB	Re-off	W'Drwn		Offered	Sold	PI/NB	Re-off	W'Drwn		
North	MFLC	5,439	5,397	0	0.8%	7.4%	3.8%	North	MFLC	118,720	101,825	14.2%	9.8%	10.9%
	MSKT	1,377	1,299	0	5.7%	7.6%	0.5%		MSKT	35,115	31,879	9.2%	6.1%	7.5%
	XBFS	2,747	2,562	0	6.7%	5.7%	0.9%		XBFS	38,776	34,608	10.7%	7.1%	1.9%
	ODDS	1,523	1,415	0	7.1%	6.2%	0.1%		ODDS	21,781	19,583	10.1%	6.5%	4.5%
	TOTAL	11,086	10,673	0	3.7%	6.8%	2.2%		TOTAL	214,392	187,895	12.4%	8.4%	8.2%
South	MFLC	12,580	11,775	0	6.4%	6.9%	2.8%	South	MFLC	213,136	180,298	15.4%	10.9%	12.2%
	MSKT	3,092	3,021	0	2.3%	4.4%	3.2%		MSKT	51,322	47,363	7.7%	5.3%	8.0%
	XBFS	8,098	6,920	0	14.5%	5.1%	3.3%		XBFS	79,464	69,782	12.2%	6.7%	3.8%
	ODDS	3,623	3,371	0	7.0%	8.5%	0.8%		ODDS	46,064	41,090	10.8%	7.3%	4.7%
	TOTAL	27,393	25,087	0	8.4%	6.3%	2.7%		TOTAL	389,986	338,533	13.2%	8.9%	9.2%
West	MFLC	8,733	6,852	0	21.5%	13.5%	12.7%	South NZ	NZ-ALL	17,505	12,671	27.6%	13.6%	6.8%
	MSKT	1,855	1,517	0	18.2%	6.4%	2.2%		TOTAL	17,505	12,671	27.6%	13.6%	6.8%
	XBFS	398	250	0	37.2%	19.3%	0.0%	West	MFLC	104,741	78,960	24.6%	17.5%	16.5%
	ODDS	2,796	2,410	0	13.8%	13.8%	2.1%		MSKT	19,960	17,023	14.7%	11.2%	11.1%
	TOTAL	13,782	11,029	0	20.0%	12.8%	9.1%		XBFS	5,250	4,062	22.6%	10.6%	3.7%
									ODDS	27,535	23,470	14.8%	9.4%	4.9%
									TOTAL	157,486	123,515	21.6%	15.0%	13.6%
									TOTAL	779,369	662,614	15.0%	10.1%	9.8%

PI% & RO% are % of offering. WD% is % of total catalogue.
Sold Prior is considered Withdrawn

MFLC = Merino Fleece.

MSKT = Merino Pieces & Bellies.

XBFS = Non-Merino (Crossbred) Fleece, Pieces & Bellies.

ODDS = Lambs, Locks & Crutchings (all breeds).

PI% & RO% are % of offering. WD% is % of total catalogue.

Averages (This Week)							
	Mic.	VM	Grsy	Lot	Kg /	Style	
		%	¢/kg	size	bale		
North	MFLC	18.61	1.1	1199	5.8	182.1	5.1
	MSKT	18.10	4.7	860	3.7	177.0	5.3
	XBFS	27.65	1.0	564	5.5	169.4	5.2
	ODDS	21.55	2.5	592	3.9	171.7	5.0
	TOTAL	21.08	1.7	925	5.0	176.9	5.2
South	MFLC	19.04	1.0	1251	5.9	182.3	4.6
	MSKT	18.29	4.2	935	4.7	178.3	5.0
	XBFS	27.67	0.6	570	5.9	173.5	4.6
	ODDS	21.44	2.1	586	4.6	173.7	4.7
	TOTAL	21.75	1.4	933	5.5	178.1	4.6
West	MFLC	18.93	1.1	1192	7.4	180.8	5.0
	MSKT	18.37	4.7	829	5.1	175.5	5.1
	XBFS	26.15	1.1	518	4.2	159.6	5.1
	ODDS	19.80	2.0	741	5.0	172.6	5.0
	TOTAL	19.21	1.8	1039	6.3	177.8	5.0
TOTAL		20.94	1.6	959	5.6	177.8	4.9

Averages are weighted by greasy kg. Offered wool only.

Main Buyers (This Week)		
Buyer	Bales	Group %
Merino Fleece		
TECHWOOL TRADING	4,472	18.6%
PJ MORRIS	2,595	10.8%
KATHAYTEX	2,469	10.3%
TIANYU	2,289	9.5%
Crossbred Fleece/Pieces/Bellies		
TECHWOOL TRADING	1,493	15.3%
PELICAN AUSTRALIA	1,286	13.2%
ENDEAVOUR WOOL EXP.	1,059	10.9%
MICHELL P/L	959	9.9%
Oddments		
MICHELL P/L	1,292	18.0%
VIC. WOOL PROCESSORS	960	13.3%
TECHWOOL TRADING	787	10.9%
SWAN WOOL PROCESSORS	613	8.5%
Merino Skirtings		
TECHWOOL TRADING	1,306	22.4%
TIANYU	833	14.3%
MODIANO	775	13.3%
ENDEAVOUR WOOL EXP.	627	10.7%

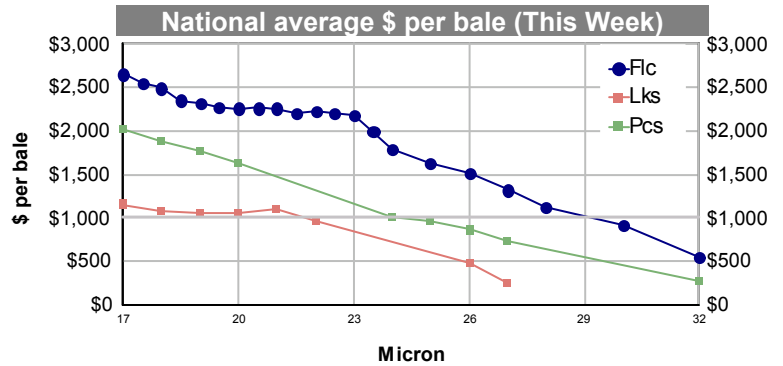
Foreign Exchange

EUR	0.6193 0.0045	GBP	0.5293 0.0065	INR	48.889 0.228	JPY	75.930 1.020	NZD	1.0410 0.0021	USD	0.6907 0.0062	ZAR	9.930 0.065
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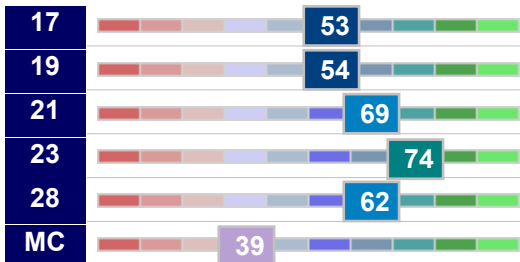
Woolgrower Returns

	Indicative \$ per head				
	17	19	21	23	28
\$/ Bale @ 185 kg	\$2477	\$2187	\$2122		\$1029
\$/Head cut @ 7 kg	\$94	\$83	\$80		\$39
6 kg	\$80	\$71	\$69		\$33
5 kg	\$67	\$59	\$57		\$28
4 kg	\$54	\$47	\$46		\$22

Returns are gross and do not allow for shearing, testing, & selling costs. Assumed yield is 67% Schlumberger Dry.



MPG Percentile rankings (South - 5 years)



Percentiles rank the current MPG over 5 years. A percentile of 39% means the MPG has been lower 39% of the time (or higher 60% of the time)

Exports

	2018/19	2019/20
China, P.R.	225.3Mkg 75%	52.3Mkg 73%
India	17.3Mkg 6%	3.9Mkg 5%
Italy	14.6Mkg 5%	5.0Mkg 7%
Korea, Rep.	12.7Mkg 4%	2.5Mkg 4%

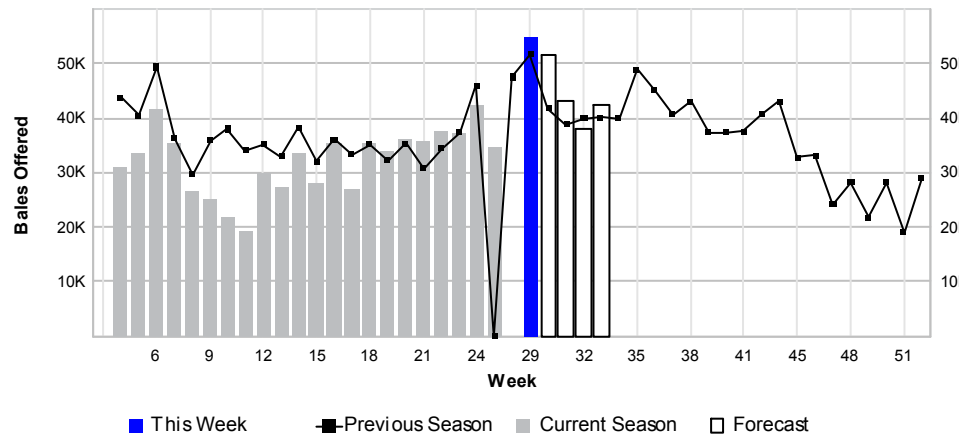
Current season is for July to October, prev. season is 12 mths. Contact AWEX for the full version of Monthly Wool Exports

Future Sales

Season on season total offered (Australian Stored)

	Bales	Days
Week 30	59,890	
S30/19	15,985	W-Th
M30/19	30,297	T-W-Th
F30/19	13,608	W-Th
Week 31	43,063	
Week 32	38,025	

S32 is a designated superfine sale



Seasonal comparison (Aust sourced wool only)

	Offered (Bales)			Change
	18	19	Change	
NORTH	246,663	214,392	-32,271	-13.1%
SOUTH	455,065	389,986	-65,079	-14.3%
WEST	164,851	157,486	-7,365	-4.5%
Total	866,579	761,864	-104,715	-12.1%

	Offered (Kg clean)			Change
	18	19	Change	
NORTH	27.6M	23.6M	-4.0M	-14.6%
SOUTH	52.1M	44.1M	-8.0M	-15.3%
WEST	18.3M	17.4M	-0.9M	-5.0%
Total	98.0M	85.1M	-12.9M	-13.2%

	First Hand Offered (Bales)			Change
	18	19	Change	
NORTH	235,324	196,433	-38,891	-16.5%
SOUTH	431,565	355,406	-76,159	-17.6%
WEST	150,705	133,796	-16,909	-11.2%
Total	817,594	685,635	-131,959	-16.1%

	First Hand Offered (Kg clean)			Change
	18	19	Change	
NORTH	26.3M	21.6M	-4.8M	-18.1%
SOUTH	49.4M	40.2M	-9.2M	-18.7%
WEST	16.7M	14.7M	-2.0M	-11.9%
Total	92.5M	76.5M	-16.0M	-17.3%

Turnover (AUD)

This week	\$ 80.95 m
This season	\$ 1,139.64 m

Quotes (¢/kg clean)

	Style	Length	Strength	VMB	North		South		West	
					15 - Jan	18 - Dec	16 - Jan	18 - Dec	16 - Jan	18 - Dec
17.0	MF4	90	35	1	2,156	1,975	2,027	1,992		
	MF4	80	35	1	2,110	2,000	2,060	1,980		
	MF5	90	35	1	2,161		2,148			
	MF5	80	35	1	2,100	1,980	2,025	1,960		
	MP5	70	35	2		1,808		1,767		
18.0	MF4	90	35	1	2,000	1,900	1,910	1,850	1,885	1,840
	MF4	80	35	1	1,990	1,890	1,905	1,840	1,880	1,835
	MF5	90	35	1	1,988	1,884	1,855		1,927	
	MF5	80	35	1	1,970	1,880	1,900	1,800	1,880	1,835
	MP5	70	35	2	1,800	1,700	1,729	1,754		
19.0	MF4	90	35	1	1,915	1,825	1,860	1,795	1,795	1,788
	MF4	80	35	1	1,910	1,820	1,855	1,785	1,790	1,785
	MF5	90	35	1	1,900	1,810	1,830	1,780	1,795	1,790
	MF5	80	35	1	1,895	1,805	1,800	1,770	1,790	1,785
	MP5	70	35	2	1,748		1,729		1,652	
20.0	MF4	90	35	1	1,885	1,800	1,810	1,775	1,790	1,780
	MF4	80	35	1	1,880	1,795	1,800	1,770	1,785	1,768
	MF5	90	35	1	1,870	1,785	1,790	1,768	1,785	1,780
	MF5	80	35	1	1,865	1,780	1,785	1,765	1,780	1,770
	MP5	70	35	2	1,702			1,597		
	MZ5			2	1,020	970	985	955	1,000	950
21.0	MF4	90	35	1	1,880	1,795	1,795	1,780	1,785	1,775
	MF4	80	35	1	1,875	1,790	1,785	1,775	1,780	1,773
	MF5	90	35	1	1,860	1,775	1,775	1,765	1,780	1,770
	MF5	80	35	1	1,860	1,770	1,770	1,755	1,770	1,765
	MP5	70	35	2			1,546			
	MC5			2	1,154					
	MZ5			2			970	925		932
22.0	MF4	90	35	1	2,042	2,042	1,785	1,780	2,245	2,245
	MF5	100	35	1	1,709	1,709	1,775	1,765	1,674	1,742
	MF4	100	35	1	2,270	2,270	1,795	1,785	2,250	2,250
23.0	MF4	90	35	1	2,290	2,290	1,775	1,780	1,669	1,669
	MF5	100	40	1	2,165	2,165	1,770	1,775	1,542	1,542
	MF5	100	35	1	1,598	1,598	1,735	1,740	2,289	2,289
	MF5	90	35	1	2,280	2,280	1,725	1,730	2,245	2,245
24.0	MF5	100	35	1	2,090	2,090	1,510	1,515		
	MF5	90	35	1	1,536	1,536	1,505	1,510		
	MF4	100	35	1	2,191	2,191	1,525	1,530		
25.0	XF5	100	35	1	1,376	1,280	1,300	1,300		
26.0	XF5	110	35	1	1,200	1,185	1,170	1,165		
28.0	XF5	120	35	1	930	930	880	915		
	XF5	110	35	1	908	908	860	913		
30.0	XF5	120	35	1	730	740	750	740		
	XF5	110	35	1	710	720	698	723		

MF = Merino Fleece (Schlum. dry yield)
 XF = Crossbred Fleece (Schlum. dry yield)
 MP = Merino Pieces (Schlum. dry yield)
 MZ = Merino Locks (Scoured 17% yield)
 MC = Merino Crutchings (Scoured 17% yield)