

Week
31

Weekly Wool Market Report

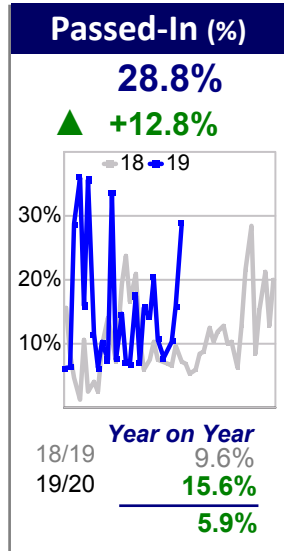
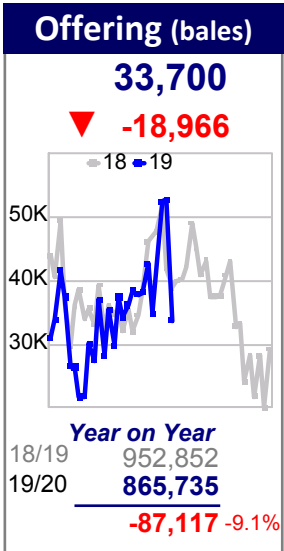
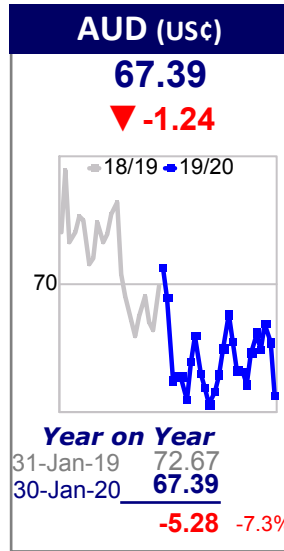
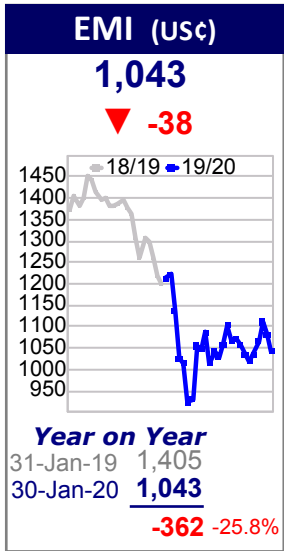
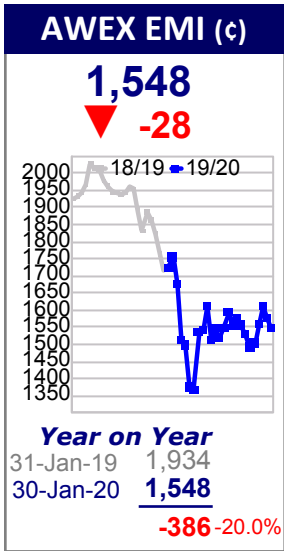
www.awex.com.au

Thursday, 30 January, 2020

Compared to week 30, Thursday, 23 January, 2020



we know wool



	North Sydney	South Melbourne	West Fremantle
Ind.	1578 ▼ -39	1529 ▼ -20	1683 ▼ -2
16.5	2135 -23	2106 n -62	
17	2038 -44	2004 -69	
17.5	1965 -37	1951 -70	
18	1893 -24	1892 -30	1863 n -26
18.5	1835 -40	1854 -34	1818 n -23
19	1795 -14	1791 -12	1793 -2
19.5	1783 -6	1784 0	1784 -5
20	1753 -25	1767 -9	1767 -5
21	1731 n -35	1757 -1	1761 n +2
22		1748 n	
23			
24			
25			
26	1081 n -30	1108 n -8	
28	803 n -35	804 -31	
30		649 -41	
32		411 n -28	
MC	1114 n -31	1136 n +5	1159 n +2

AWEX Comment

Global health concerns have impacted the Australian wool market this week. The outbreak of the coronavirus has forced multiple countries to enforce travel restrictions, severely impacting the workforces of many overseas mills. This has created uncertainty among many large importers of Australian wool, which in turn has affected the buying confidence of local exporters. The lack of buyer confidence was immediately apparent when the markets opened on the East coast. The finer microns were the hardest hit, opening to reductions of 80 to 100 cents when compared to the previous sale. By the end of the day the individual Micron Price Guides (MPGs) across the country had fallen by 29 to 131 cents, 18.0 micron and finer recording the largest losses. The AWEX Eastern Market Indicator (EMI) lost 56 cents for the day, the largest daily fall in the EMI since August last year. The sharp drop in prices was met with firm seller resistance, the national fleece passed in rate was 48.8%. The drop in the market prompted many sellers to withdraw their wool from sale, nationally 25% of the fleece catalogue was withdrawn prior to sale. The reduction in quantity put extra pressure on the lots remaining, which in turn sparked a recovery. On the second selling day the market started to recover, recouping some of the losses experienced on the previous day. The MPGs in all three centres added 15 to 65 cents, finishing the series on a positive note. The EMI added 28 cents for the day but still finished in negative territory for the week, falling by 28 cents to close at 1,548 cents. The skirtings travelled a very similar path to the fleece, large losses on the first day, followed by positive movements on the second, resulting in weekly losses of between 30 and 50 cents. Next week's national offering is currently 35,849 bales, with selling in Sydney, Melbourne and Fremantle.

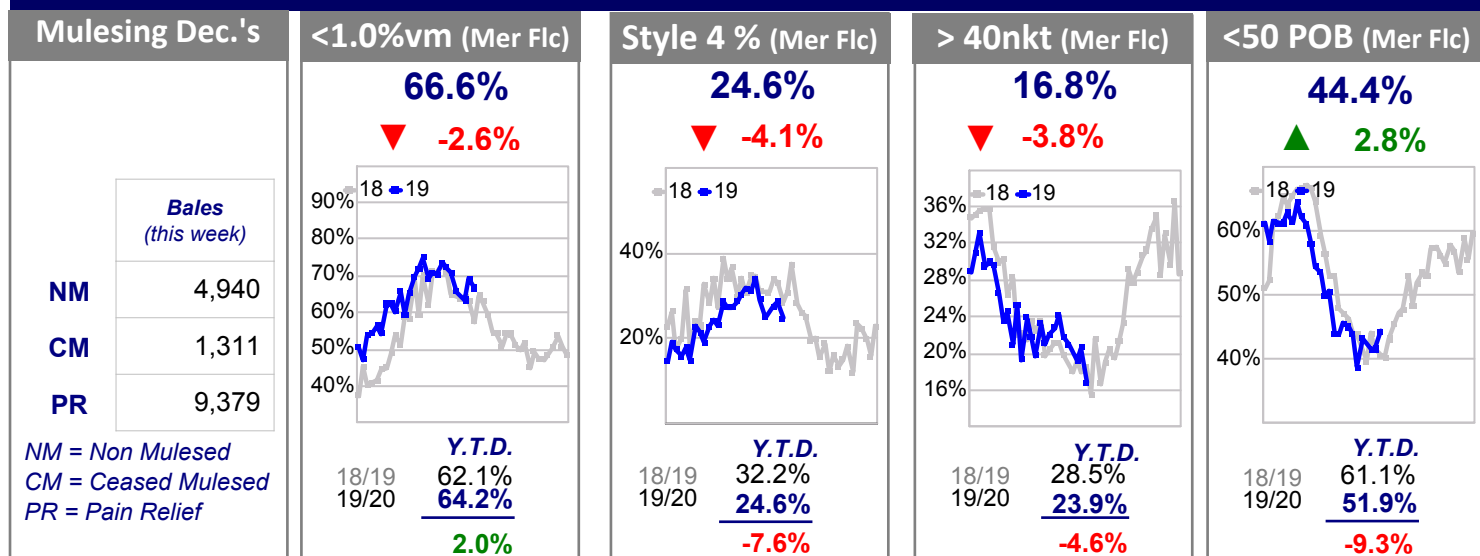


2 year charts (North/South average). Blue line = last 12 months.

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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 4,605	3,080	0	33.1%	6.1%	10.7%	North	MFLC 131,406	111,704	15.0%	9.7%	10.9%
	MSKT 1,140	907	0	20.4%	3.2%	6.8%		MSKT 38,237	34,724	9.2%	6.0%	7.4%
	XBFS 2,075	1,595	0	23.1%	5.6%	3.3%		XBFS 43,425	38,132	12.2%	6.8%	2.7%
	ODDS 1,118	889	0	20.5%	2.8%	2.7%		ODDS 24,367	21,779	10.6%	6.4%	4.4%
	8,938	6,471	0	27.6%	5.2%	7.6%		237,435	206,339	13.1%	8.2%	8.3%
South	MFLC 7,406	4,684	0	36.8%	8.3%	20.3%	South	MFLC 232,604	195,096	16.1%	10.6%	12.6%
	MSKT 1,778	1,349	0	24.1%	3.4%	15.8%		MSKT 56,142	51,623	8.0%	5.2%	8.4%
	XBFS 5,690	4,548	0	20.1%	7.3%	15.8%		XBFS 93,187	80,925	13.2%	6.7%	5.1%
	ODDS 2,291	1,740	0	24.1%	5.0%	19.0%		ODDS 52,065	45,970	11.7%	7.3%	6.0%
	17,165	12,321	0	28.2%	7.1%	18.2%		433,998	373,614	13.9%	8.7%	9.8%
West	MFLC 4,880	3,050	0	37.5%	9.8%	16.8%	South NZ	NZ-ALL 17,505	12,671	27.6%	13.6%	6.8%
	MSKT 917	651	0	29.0%	10.9%	17.2%		17,505	12,671	27.6%	13.6%	6.8%
	XBFS 388	362	0	6.7%	5.2%	18.0%	West	MFLC 117,402	88,128	24.9%	16.5%	16.5%
	ODDS 1,412	1,147	0	18.8%	5.7%	6.6%		MSKT 22,436	19,069	15.0%	10.9%	11.3%
	7,597	5,210	0	31.4%	8.9%	15.2%		XBFS 5,990	4,707	21.4%	10.3%	6.1%
TOTAL	33,700	24,002	0	28.8%	7.0%	14.9%		ODDS 30,969	26,361	14.9%	8.9%	5.2%
							TOTAL	176,797	138,265	21.8%	14.2%	13.7%

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 18.39	1.0	1064	5.8	183.2	5.2
	MSKT 17.61	3.7	843	3.5	176.9	5.3
	XBFS 28.13	1.2	454	5.8	169.6	5.2
	ODDS 21.83	1.8	552	3.6	170.6	5.0
	20.86	1.5	839	5.0	177.7	5.2
South	MFLC 19.04	0.9	1173	5.8	181.6	4.6
	MSKT 18.44	4.2	883	4.4	175.2	4.9
	XBFS 27.66	0.7	511	5.9	171.9	4.6
	ODDS 21.04	2.2	586	4.5	174.8	4.8
	22.03	1.3	853	5.5	176.8	4.7
West	MFLC 19.06	1.2	1121	7.8	181.9	5.0
	MSKT 18.33	5.3	759	5.3	175.5	5.1
	XBFS 25.00	1.3	647	4.9	168.9	5.0
	ODDS 19.10	2.3	735	5.3	174.7	5.1
	19.27	1.9	985	6.6	179.1	5.0
TOTAL	21.09	1.5	879	5.6	177.6	4.9

Averages are weighted by greasy kg. Offered wool only.

Main Buyers (This Week)		
	Bales	Group %
Merino Fleece		
TECHWOOL TRADING	1,768	16.3%
MODIANO	1,347	12.5%
FOX & LILLIE	1,203	11.1%
SEATECH	1,147	10.6%
Crossbred Fleece/Pieces/Bellies		
FOX & LILLIE	988	15.2%
PELICAN AUSTRALIA	792	12.2%
TECHWOOL TRADING	738	11.3%
MICHELL P/L	625	9.6%
Oddments		
MICHELL P/L	682	18.1%
VIC. WOOL PROCESSORS	610	16.2%
UNITED WOOL CO.	463	12.3%
TECHWOOL TRADING	407	10.8%
Merino Skirtings		
MODIANO	571	19.6%
TECHWOOL TRADING	557	19.2%
UNITED WOOL CO.	420	14.4%
AUST. MERINO EXP.	287	9.9%

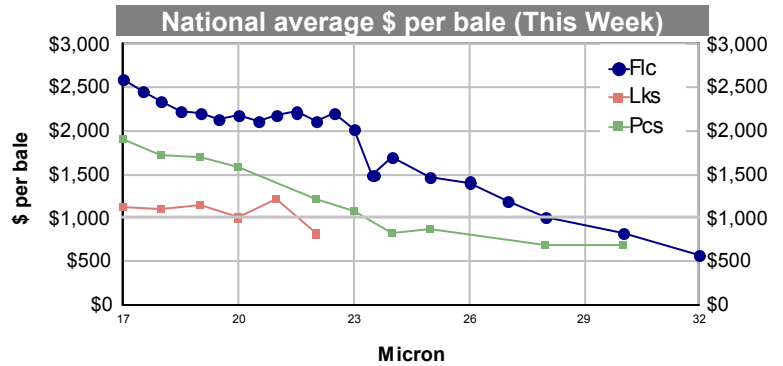
Foreign Exchange

EUR 0.6118 ▼ -0.0074	GBP 0.5177 ▼ -0.0053	INR 48.120 ▼ -0.759	JPY 73.390 ▼ -1.810	NZD 1.0347 ▼ 0.0064	USD 0.6739 ▼ -0.0124	ZAR 9.856 ▲ 0.005
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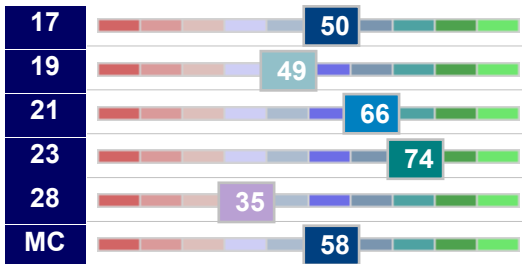
Woolgrower Returns

	Indicative \$ per head				
	17	19	21	23	28
\$/ Bale @ 185 kg	\$2385	\$2131	\$2091		\$957
\$/Head cut @ 7 kg	\$90	\$81	\$79		\$36
6 kg	\$77	\$69	\$68		\$31
5 kg	\$64	\$58	\$57		\$26
4 kg	\$52	\$46	\$45		\$21

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 58% means the MPG has been lower 57% of the time (or higher 41% of the time)

Exports

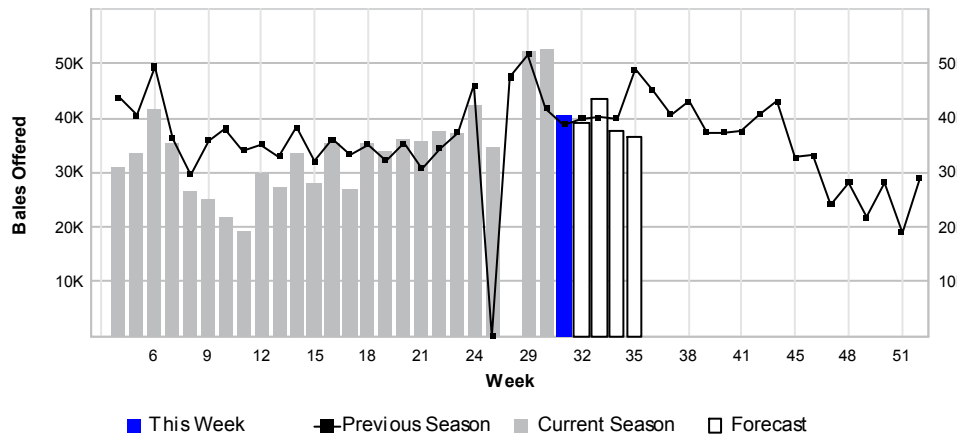
	2018/19	2019/20
China, P.R.	225.3Mkg 75%	52.3Mkg 73%
India	17.3Mkg 6%	3.9Mkg 5%
Italy	14.6Mkg 5%	5.0Mkg 7%
Korea, Rep.	12.7Mkg 4%	2.5Mkg 4%

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 32	35,849	
S32/19	10,410	W-Th
S32 is a designated superfine sale		
M32/19	17,401	W-Th
F32/19	8,038	W-Th
Week 33	43,570	
Week 34	37,726	



Seasonal comparison (Aust sourced wool only)

	Offered (Bales)			Change
	18	19	Change	
NORTH	265,281	237,435	-27,846	-10.5%
SOUTH	498,045	433,998	-64,047	-12.9%
WEST	183,840	176,797	-7,043	-3.8%
Total	947,166	848,230	-98,936	-10.4%

	Offered (Kg clean)			Change
	18	19	Change	
NORTH	29.6M	26.1M	-3.6M	-12.0%
SOUTH	57.1M	49.2M	-7.9M	-13.9%
WEST	20.5M	19.6M	-0.9M	-4.4%
Total	107.2M	94.8M	-12.4M	-11.6%

	First Hand Offered (Bales)			Change
	18	19	Change	
NORTH	253,027	217,862	-35,165	-13.9%
SOUTH	471,334	396,357	-74,977	-15.9%
WEST	167,408	151,606	-15,802	-9.4%
Total	891,769	765,825	-125,944	-14.1%

	First Hand Offered (Kg clean)			Change
	18	19	Change	
NORTH	28.3M	23.9M	-4.4M	-15.5%
SOUTH	54.1M	44.9M	-9.2M	-17.0%
WEST	18.6M	16.7M	-1.9M	-10.2%
Total	100.9M	85.5M	-15.5M	-15.3%

Turnover (AUD)

This week
\$ 36.63 m
This season
\$ 1,251.41 m

Quotes (¢/kg clean)

	Style	Length	Strength	VMB	North		South		West	
					30 - Jan	23 - Jan	30 - Jan	23 - Jan	30 - Jan	23 - Jan
17.0	MF4	90	35	1	2,036	2,064	2,060	1,993		
	MF4	80	35	1	2,020	2,060	1,985	2,050		
	MF5	90	35	1		2,030				
	MF5	80	35	1	1,990	2,050	1,960	2,000		
	MP5	70	35	2	1,744			1,870		
18.0	MF4	90	35	1	1,880	1,900	1,850	1,880	1,850	1,880
	MF4	80	35	1	1,870	1,890	1,815	1,860	1,845	1,875
	MF5	90	35	1	1,881	1,879				1,872
	MF5	80	35	1	1,850	1,880	1,755	1,830	1,845	1,875
	MP5	70	35	2	1,700	1,800		1,810		1,673
19.0	MF4	90	35	1	1,800	1,820	1,830	1,840	1,790	1,795
	MF4	80	35	1	1,795	1,810	1,800	1,785	1,785	1,790
	MF5	90	35	1	1,785	1,800	1,795	1,780	1,795	1,795
	MF5	80	35	1	1,780	1,795	1,765	1,770	1,790	1,790
20.0	MF4	90	35	1	1,760	1,785	1,770	1,785	1,770	1,775
	MF4	80	35	1	1,755	1,780	1,768	1,775	1,765	1,770
	MF5	90	35	1	1,745	1,770	1,765	1,770	1,765	1,770
	MF5	80	35	1	1,740	1,765	1,760	1,760	1,755	1,765
	MZ5			2	1,020	1,040	1,040	1,040	1,040	1,040
21.0	MF4	90	35	1	1,740	1,775	1,775	1,770	1,760	1,755
	MF4	80	35	1	1,735	1,770	1,770	1,765	1,760	1,760
	MF5	90	35	1	1,725	1,760	1,745	1,750	1,760	1,760
	MF5	80	35	1	1,720	1,755	1,740	1,740	1,755	1,750
	MC5			2	1,079					
	MZ5			2			940	1,040		
22.0	MF4	90	35	1	2,042	2,042	1,755	1,755	2,245	2,245
	MF5	100	35	1	1,709	1,709	1,750	1,740	1,674	1,674
	MF5	90	35	2			1,756			
	MF4	100	35	1	2,270	2,270	1,765	1,760	2,250	2,250
23.0	MF4	90	35	1	2,290	2,290	1,685	1,710	1,669	1,669
	MF5	100	40	1	2,165	2,165	1,690	1,705	1,542	1,542
	MF5	100	35	1	1,598	1,598	1,655	1,670	2,289	2,289
	MF5	90	35	1	2,280	2,280	1,645	1,660	2,245	2,245
24.0	MF5	100	35	1	2,090	2,090	1,420	1,445		
	MF5	90	35	1	1,536	1,536	1,410	1,440		
	MF4	100	35	1	2,191	2,191	1,475	1,460		
25.0	XF5	100	35	1	1,215	1,252	1,210	1,245		
26.0	XF5	110	35	1	1,090	1,120	1,105	1,115		
28.0	XF5	120	35	1	815	850	820	845		
	XF5	110	35	1	798	833	798	833		
30.0	XF5	120	35	1	665	690	670	710		
	XF5	110	35	1	645	670	640	680		

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)