

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW

Week Ending 10 June 2016 (Week 50)

The AWEX EMI finished at 1270¢, 26¢ lower (-2.0%) in Australian currency and 10¢ higher (+1.1%) in US currency at sales in Sydney and Melbourne this week.

27,231 bales were on offer nationally, compared with 32,043 bales last sale. 13.0% of the offering was passed in.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 50)									
Centre	Last Sale		Day-to-Day Changes (Week 50)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	49	1296	No Sale	-21	-5	-26 (-2.0%)	1270	+10	-6
Northern	49	1323	No Sale	-29	-2	-31 (-2.3%)	1292	+6	-9
Southern	49	1278	No Sale	-15	-8	-23 (-1.8%)	1255	+12	-4
Western	49	1370	No Sale	No Sale	No Sale				

The US Exchange Rate returned to a more volatile pattern this week, with consequent negative effects on prices in Australian currency.

Wednesday's sale saw the Northern Indicator fall by 29¢ with falls of 2 to 3% in the AWEX Merino MPGs. The falls were less in the South with the Southern Indicator down by 15¢. There were reports of good widespread competition in the South. There were further falls on Thursday, but these were smaller as the US Exchange Rate had stabilised by then and was only 0.11¢ above Wednesday's closing value.

Overall, the Merino average MPGs were down by around 2.5% on average up to 21 microns and by just over 1% for 22 and 23 microns. Merino skirtings fell in line with fleece types on Wednesday and steadied on Thursday. Crossbred MPGs were down by around 2.5%, apart from at 30 microns where the fall was 3.4%. Oddments were cheaper on both days; and the Merino Cardings were unable to maintain their good rises of recent weeks.

The US exchange rate finished 2.26¢ (3.1%) higher to close at 74.65¢ on Thursday. This was the highest sale-to-sale change seen this season. Financial analysts mostly attributed the rise to the less favourable than expected economic data from the United States that led to a weakening of the US currency; and to the decision of the Reserve Bank of Australia to hold the official interest rate at 1.75%. Both results were contrary to the market's expectations.

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

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	121¢	142¢	165¢	167¢	176¢
South	98¢	117¢	141¢	142¢	152¢

Market Indicator	Changes From			
	Four Sales Ago Week 46	Start of the Season	Week 50 Last Year	Season Average to Week 50 Last Year
Eastern Market Indicator	-17 (-1.3%)	+44 (+3.6%)	-86 (-6.3%)	+159 (+14.5%)
Western Market Indicator	No Sale	No Sale	No Sale	No Sale

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 ¢		-40	-37	-45	-40	-41	-38	-32	-30	-18	-18	
Change %		-2.6%	-2.4%	-2.9%	-2.6%	-2.7%	-2.6%	-2.2%	-2.1%	-1.3%	-1.3%	
Since Start of the Season												
Change ¢	+13	+37	+55	+70	+97	+115	+108	+92	+69	+84	+81	
Change %	+0.9%	+2.5%	+3.8%	+4.9%	+7.1%	+8.6%	+8.2%	+7.0%	+5.3%	+6.6%	+6.4%	
Since Same Week Last Year												
Change ¢	-121	-101	-79	-81	-74	-62	-62	-79	-96	-58	-48	
Change %	-7.3%	-6.2%	-4.9%	-5.1%	-4.8%	-4.1%	-4.1%	-5.3%	-6.5%	-4.1%	-3.4%	

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 ¢		-26	-28	-18	-17	-21
Change %		-2.4%	-3.4%	-2.5%	-2.9%	-1.9%
Since Start of the Season						
Change ¢		+9	-105	-89	-89	+57
Change %		+0.8%	-11.8%	-11.3%	-13.4%	+5.5%
Since Same Week Last Year						
Change ¢		-100	-186	-165	-170	-21
Change %		-8.6%	-19.1%	-19.0%	-22.8%	-1.9%

Average Merino Cardings Price Guide

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AWIS WOOL MARKET REVIEW Week Ending 10 June 2016 (Week 50)

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 April ABS export data.

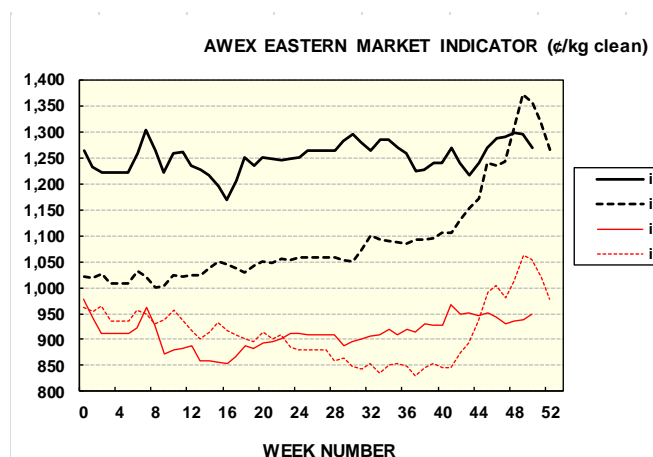
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re-Offered	Bales Sold
North	8,354	12,134	11.7%	2.7%	5.6%	10,714
South	14,723	15,097	14.1%	1.6%	6.6%	12,975
West	8,966					
Australia	32,043	27,231	13.0%	2.1%	6.2%	23,689

Actual and % Changes in the Progressive Offerings from Last Year	
-48,852	-9.1%
-97,367	-10.0%
-21,111	-5.6%
-167,330	-8.9%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 51	Week 52	Week 53	Differences
North	10,016	9,139	11,750	+23.9%
South	18,676	14,773	17,400	+49.9%
West	6,019	No Sale	6,400	+26.5%
New Zealand				
Australia	34,711	23,912	35,550	-14.6%
Differences	+46.9%	-46.9%		

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	72.39	+0.07	+0.85	+0.96	+0.27	+0.11	+2.26 (+3.1%)	74.65	69.05	78.12
Euro	64.63	+0.34	-0.34	+0.79	+0.16	-0.08	+0.87 (+1.3%)	65.50	62.20	69.14

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change in Weight of Wool Exports July to April
	April 2016	July to April This Season	July to April Last Season	
China	79.3%	75.0%	76.2%	-10.1%
India	6.7%	7.4%	6.0%	+7.6%
Italy	2.2%	4.8%	4.4%	-0.5%
Czech Republic	4.4%	5.2%	4.7%	-0.2%
Malaysia	1.0%	1.6%	1.9%	-26.0%
Korea	2.4%	1.8%	2.2%	-25.0%
Taiwan	0.9%	0.8%	0.8%	-15.2%
Egypt	1.3%	1.2%	0.9%	+24.5%
Change all Countries				-8.6%



AVERAGE EMI	
This Year	1252
Last Year	1102
2013/14	1070
2012/13	1035
2011/12	1198

SEASON AVERAGES		
Region	This Year	Diff
North	1277	+153
South	1236	+149
West	1305	+176

THIS YEAR'S EMI	
This Week	1270
First Week	1231
Low (16/10)	1169
High (14/08)	1304

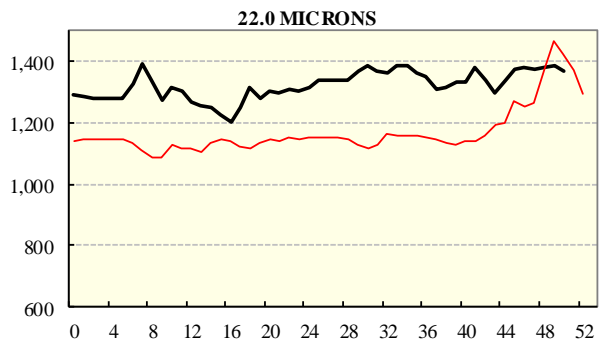
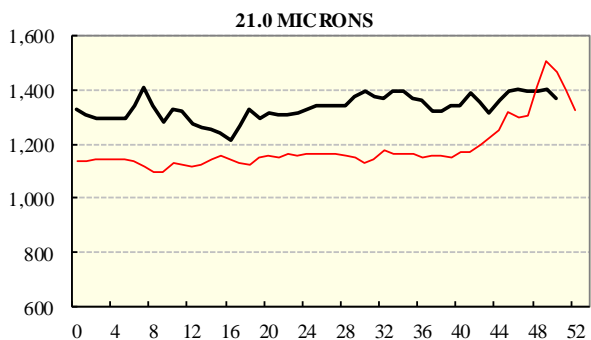
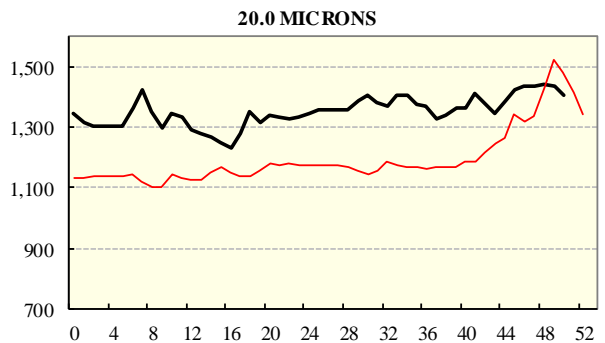
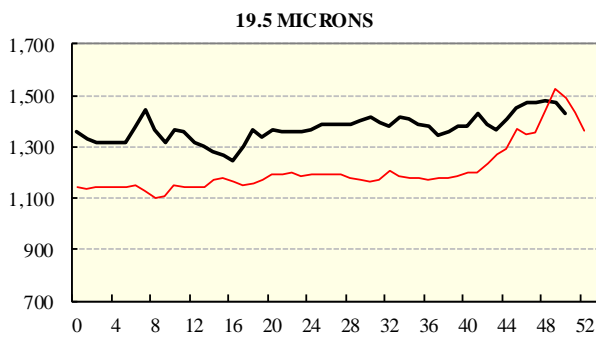
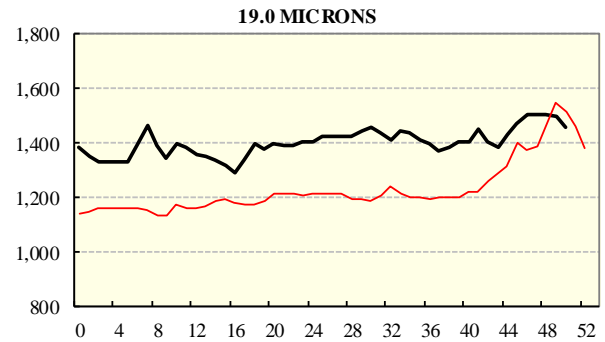
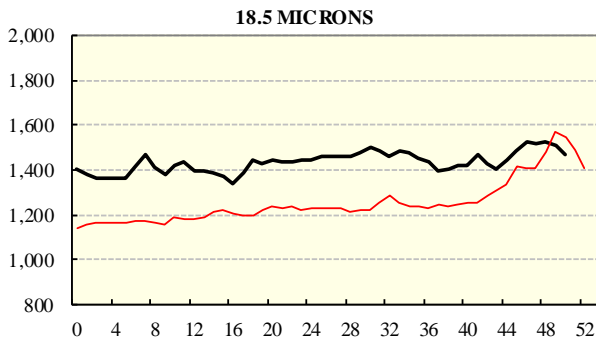
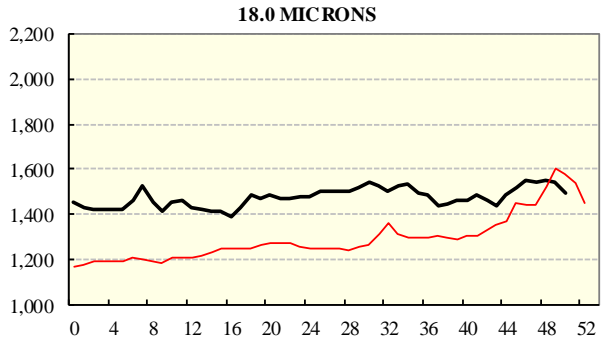
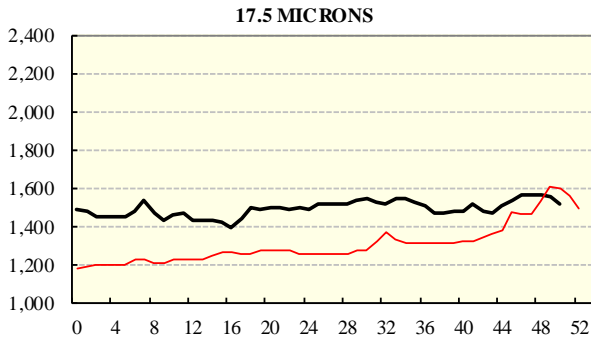
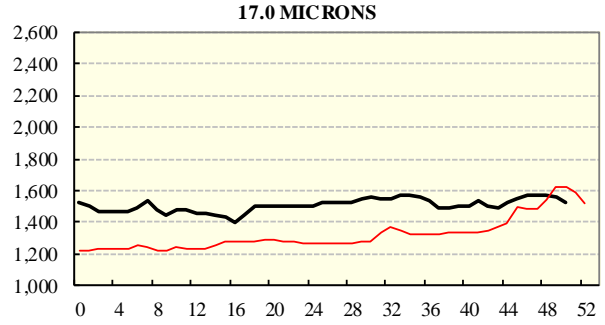
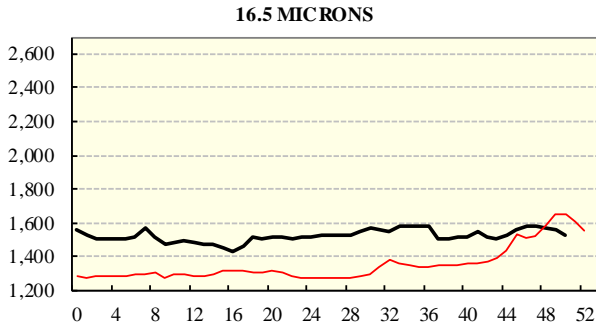
COMPARED WITH WEEK 1		
Region	This Week	Diff
North	1292	+42
South	1255	+36
West (Wk)	1370	

BALES OFFERED	
This Year	1,718,769
Last Year	1,886,099
Difference	-167,330
% Diff	-8.9%
FIRST OFFERED BALES	
Difference	-8.3%
% of Offering	94.4%

REGION BALES		
This Sale:		
North	12,134	
South	15,097	
West	0	
Progressive Totals:		
North	488,608	-9.1%
South	875,522	-10.0%
West	354,639	-5.6%

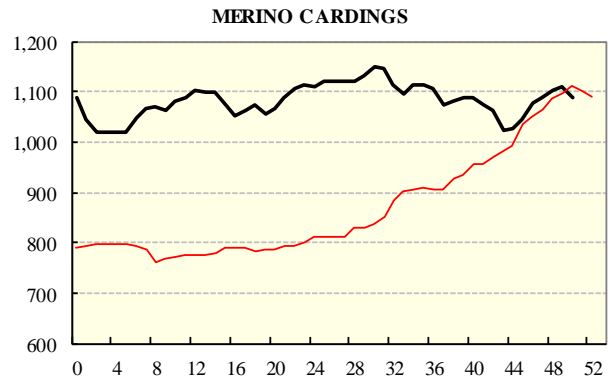
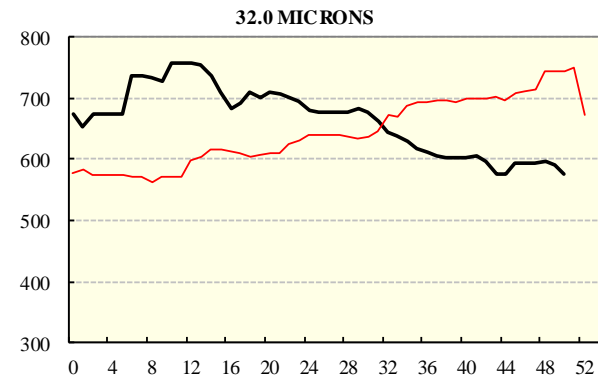
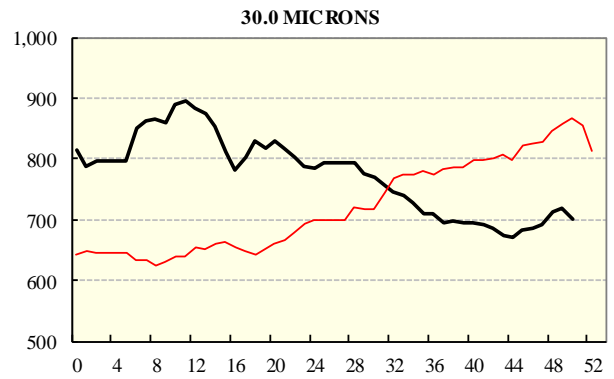
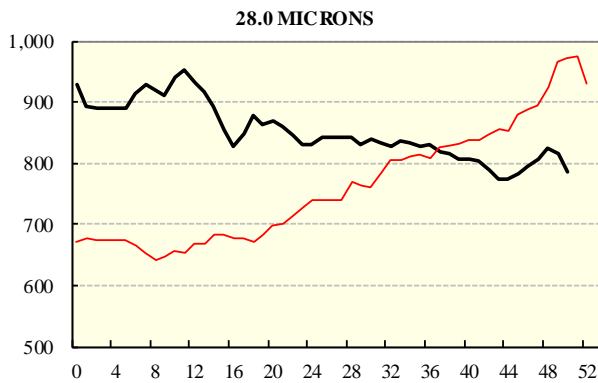
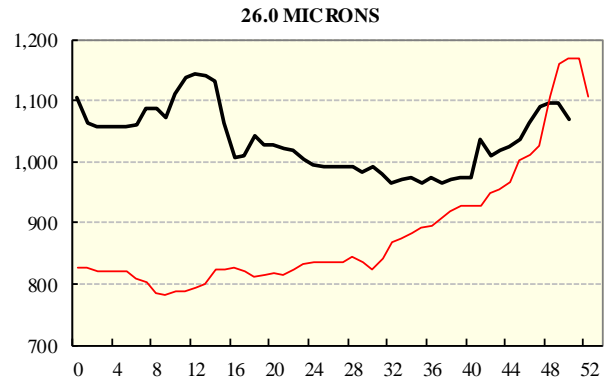
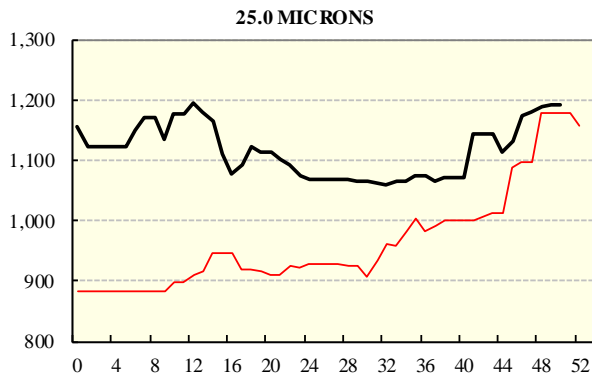
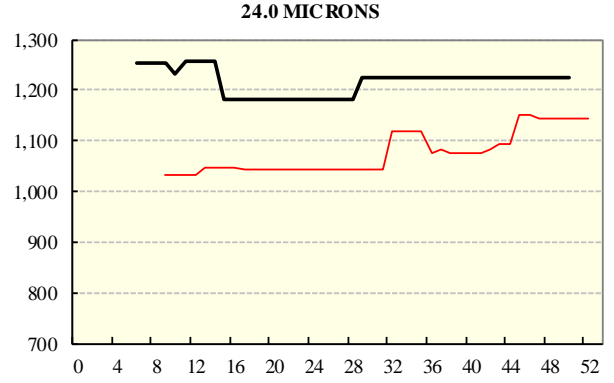
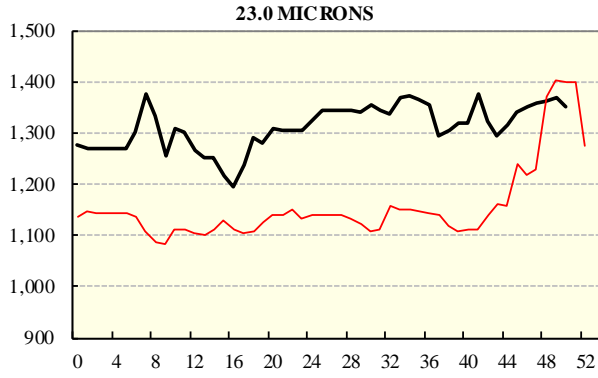
AVERAGE AWEX MICRON PRICE GUIDES

2015/16 (black graph line) and 2014/15 (red graph line)



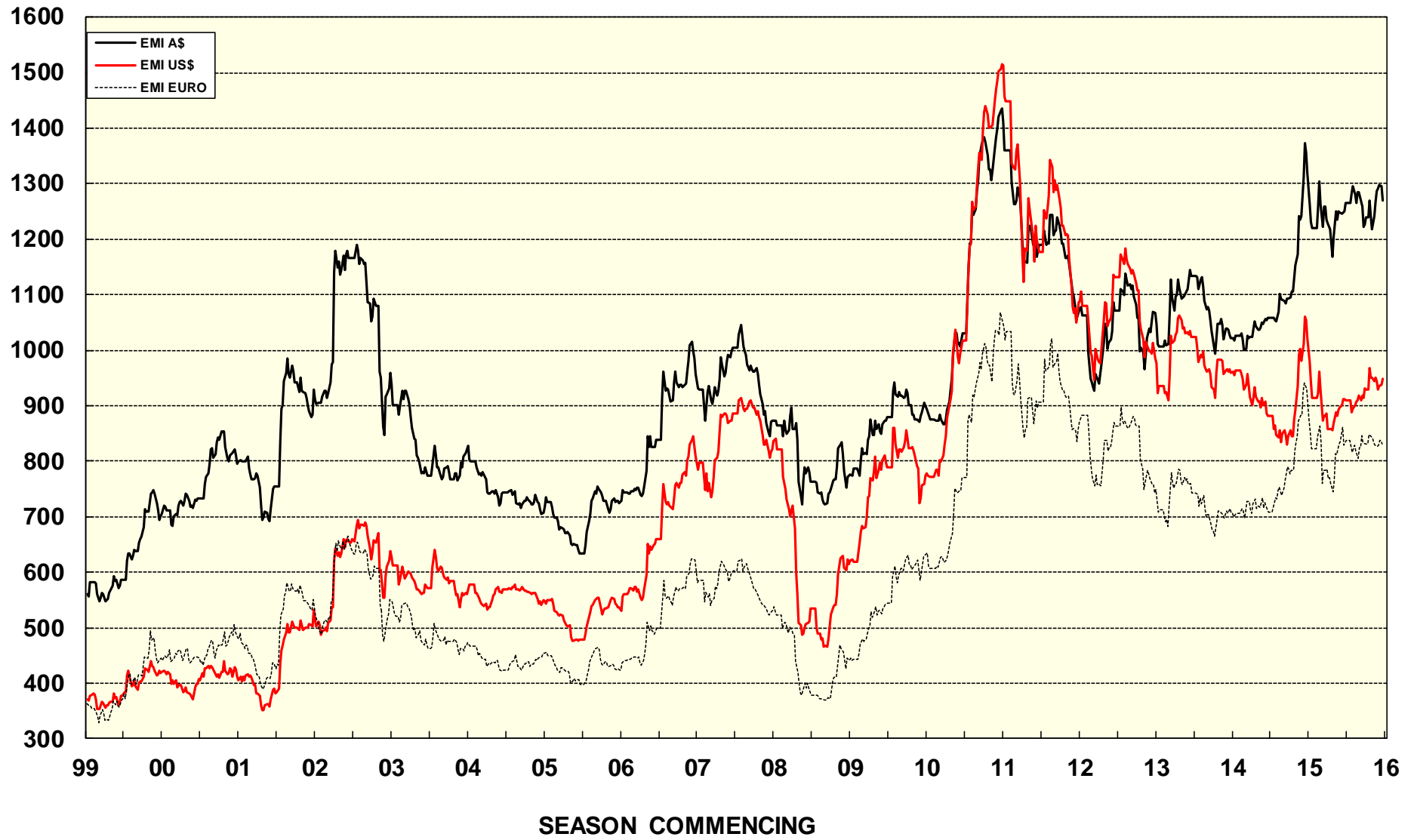
AVERAGE AWEX MICRON PRICE GUIDES

2015/16(black graph line) and 2014/15 (red graph line)



EASTERN MARKET INDICATOR (EMI) SINCE 1999/00 (¢/kg clean)

(In Australian, United States and European Currencies)



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