

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW

Week Ending 12 February 2016 (Week 33)

The AWEX EMI finished 19¢ higher (+1.5%) in Australian currency and 3¢ higher (+0.3%) in US currency at sales in Sydney, Melbourne and Fremantle this week.

37,844 bales were on offer nationally, compared with 44,906 bales last sale. 6.8% of the offering was passed in.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 33)									
Centre	Last Sale		Day-to-Day Changes (Week 33)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	32	1265	+3	+5	+11	19 (1.5%)	1284	+3	-12
Northern	32	1289	No Sale	+9	+11	20 (1.6%)	1309	+4	-12
Southern	32	1249	+5	+3	+10	18 (1.4%)	1267	+2	-13
Western	32	1328	No Sale	+14	+14	28 (2.1%)	1356	+9	-8

It was a good week for wool, as the EMI finished up in both Australian and US currencies, with the EMI in US currency back to its levels of prior to Christmas.

This has occurred while the prices for other commodities have fallen; particularly energy commodities and share markets have experienced significant falls. This is an unusual outcome for wool in these circumstances, as its price has been very sensitive to falls in global economic conditions and confidence in the past.

Tuesday's sale was of Tasmanian wools only. The prices paid in these sales include an allowance for the cost of moving the wool to Melbourne for transshipment to its final destination. The AWEX Price Guides (MPGs) were all up in Australian currency, but this was associated with a fall in the US exchange rate.

The market picked up in both currencies on Wednesday; and finished strongly on Thursday, when the EMI was up by 12¢ in US and by 11¢ in Australian currencies. There were increases in all average AWEX MPGs other than the coarse crossbreds and the Merino Cardings Price Guide. The greatest increases were among the medium and broader Merino wools.

The US exchange rate finished 0.81¢ (-1.1%) lower to close at 70.90¢ on Thursday.

Buyers for China were dominant, with support from buyers for Europe, India and Korea. Buyers for Italy were very strong in the sale of Tasmanian wool on Tuesday.

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	116¢	145¢	173¢	183¢	190¢
South	100¢	137¢	152¢	174¢	189¢

Market Indicator	Four Sales Ago Week 29	Changes From		
		Start of the Season	Week 33 Last Year	Season Average to Week 33 Last Year
Eastern Market Indicator	+2 (+0.2%)	+58 (+4.7%)	+192 (+17.6%)	+205 (+19.7%)
Western Market Indicator	+6 (+0.4%)	+103 (+8.2%)	+241 (+21.6%)	+209 (+19.3%)

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 ¢	+25	+21	+32	+26	+23	+37	+31	+31	+28	+27	+32	
Change %	+1.6%	+1.4%	+2.1%	+1.7%	+1.6%	+2.6%	+2.2%	+2.3%	+2.0%	+2.0%	+2.4%	
Since Start of the Season												
Change ¢	+58	+81	+84	+102	+109	+106	+90	+92	+94	+105	+100	
Change %	+3.8%	+5.5%	+5.7%	+7.1%	+7.9%	+7.9%	+6.8%	+7.0%	+7.2%	+8.2%	+7.9%	
Since Same Week Last Year												
Change ¢	+216	+221	+218	+212	+225	+233	+227	+231	+234	+228	+218	
Change %	+15.9%	+16.4%	+16.4%	+16.1%	+17.9%	+19.2%	+19.1%	+19.7%	+20.1%	+19.7%	+18.9%	

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 ¢	+4	+4	+8	-4	-6	-20
Change %	+0.4%	+0.4%	+1.0%	-0.5%	-0.9%	-1.8%
Since Start of the Season						
Change ¢	-59	-90	-57	-50	-25	+63
Change %	-5.3%	-8.5%	-6.4%	-6.3%	-3.8%	+6.1%
Since Same Week Last Year						
Change ¢	+105	+96	+29	-34	-32	+192
Change %	+10.9%	+11.0%	+3.6%	-4.4%	-4.8%	+21.3%

Average Merino Cardings Price Guide

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AWIS WOOL MARKET REVIEW Week Ending 12 February 2016 (Week 33)

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 November 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	13,748	9,027	3.9%	3.2%	6.0%	8,675
South	22,226	20,577	8.2%	3.1%	7.1%	18,890
West	8,932	8,240	6.6%	4.1%	6.3%	7,695
Australia	44,906	37,844	6.8%	3.4%	6.7%	35,260

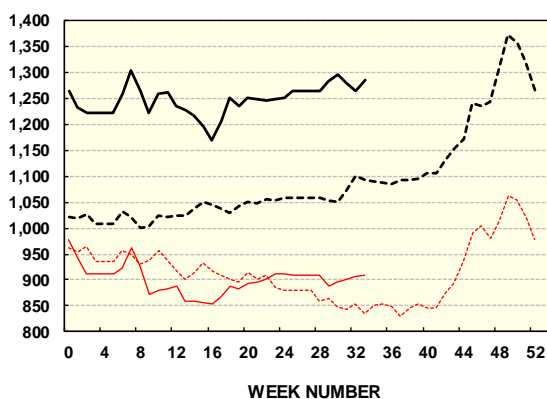
Actual and % Changes in the Progressive Offerings from Last Year	
-27,835	-8.2%
-62,119	-10.0%
-10,171	-4.4%
-100,125	-8.4%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 34	Week 35	Week 36	Differences
North	11,928	12,550	10,900	-7.9%
South	20,887	21,150	22,306	-9.4%
West	9,353	8,950	9,400	-5.8%
New Zealand	1,630			
Australia	42,168	42,650	42,606	-8.2%
Differences	-15.0%	-8.7%	+0.3%	

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	71.71	+0.19	-1.00	-0.60	+0.22	+0.38	-0.81 (-1.1%)	70.9	69.05	76.49
Euro	64.68	-0.45	-0.55	-0.96	-0.29	+0.35	-1.90 (-2.9%)	62.78	62.2	69.08

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change in Weight of Wool Exports July - December
	December 2015	July - December This Season	July - December Last Season	
China	69.3%	72.5%	74.3%	-12.5%
India	6.7%	8.5%	7.3%	+4.5%
Italy	6.0%	6.0%	4.8%	+10.9%
Czech Republic	9.6%	5.2%	5.1%	-7.4%
Malaysia	1.5%	1.5%	1.8%	-24.9%
Korea	1.5%	1.7%	2.0%	-27.3%
Taiwan	1.1%	0.9%	1.0%	-12.2%
Egypt	1.2%	1.3%	1.0%	+17.9%
Change all Countries				-10.4%

AWEX EASTERN MARKET INDICATOR (¢/kg clean)



AVERAGE EMI	
This Year	1247
Last Year	1102
2013/14	1070
2012/13	1035
2011/12	1198

SEASON AVERAGES		
Region	This Year	Diff
North	1,272	148
South	1,230	144
West	1,291	162

THIS YEAR'S EMI	
This Week	1284
First Week	1231
Low (14/03/0)	1,169
High (27/07/0)	1304

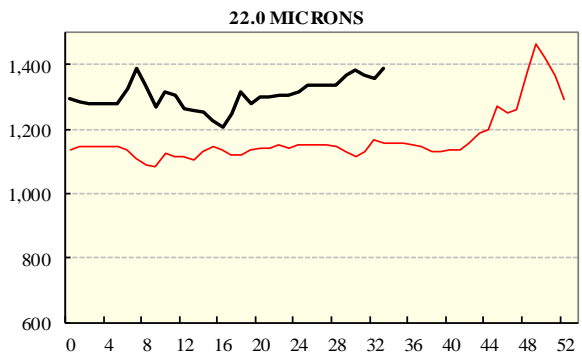
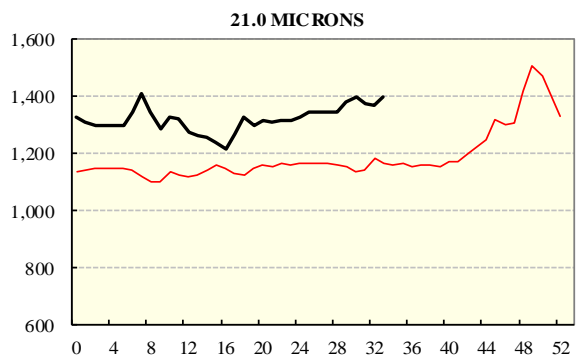
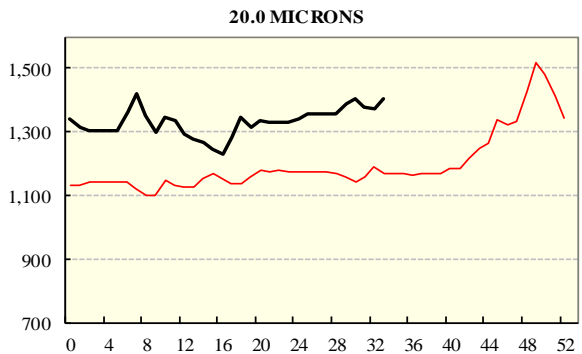
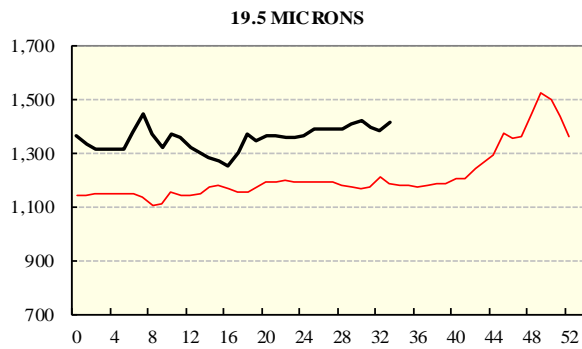
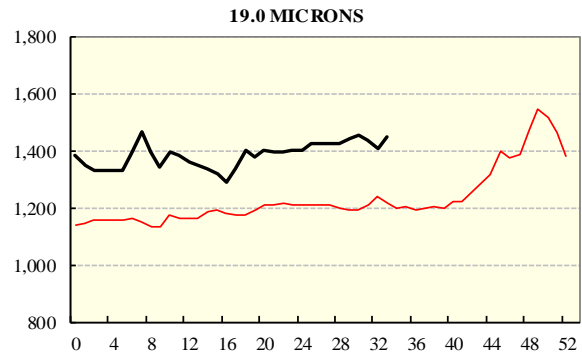
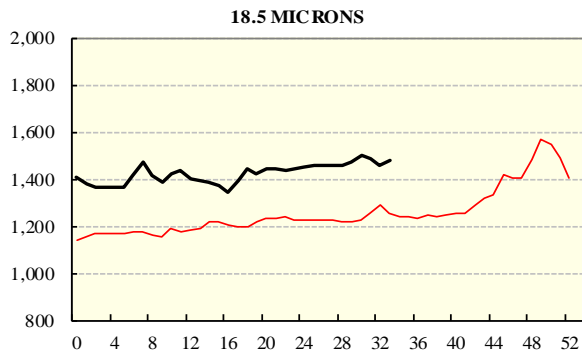
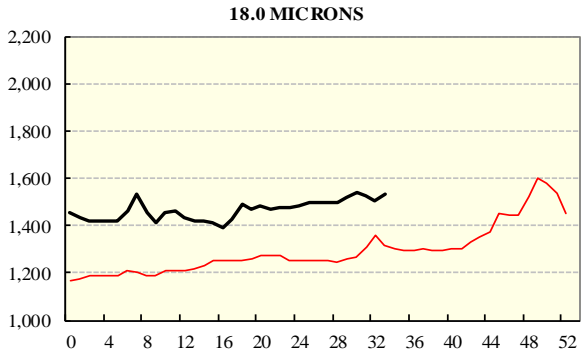
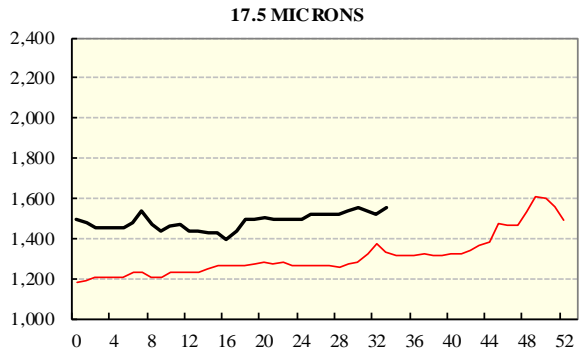
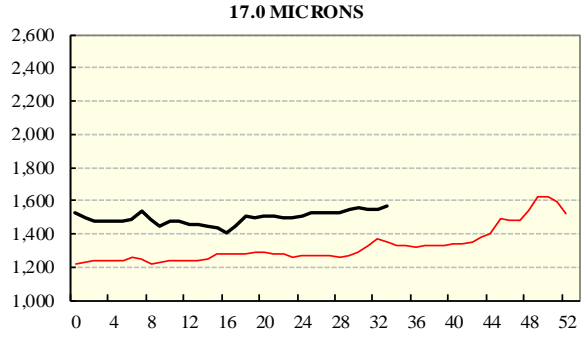
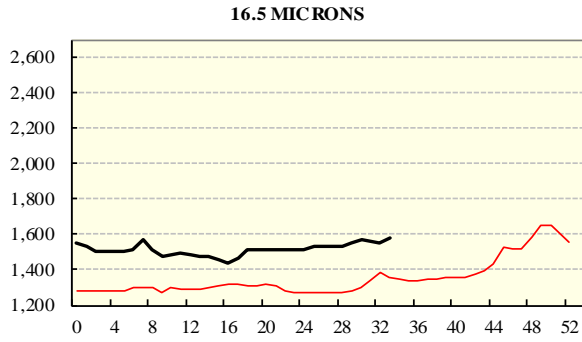
COMPARED WITH WEEK 1		
Region	This Week	Diff
North	1309	59
South	1267	48
West (Wk)	1356	105

BALES OFFERED	
This Year	1,097,301
Last Year	1,197,426
Difference	-100,125
% Diff	-8.4%
FIRST OFFERED BALES	
Difference	-6.6%
% of Offering	95%

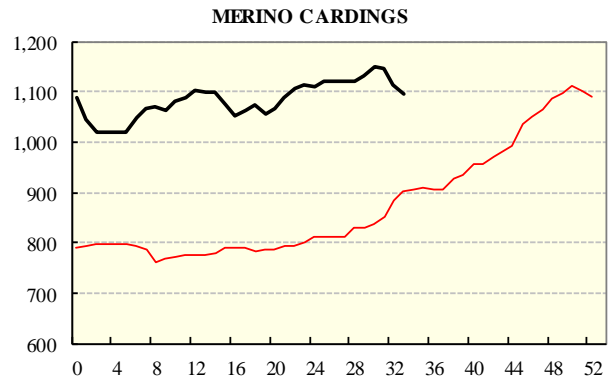
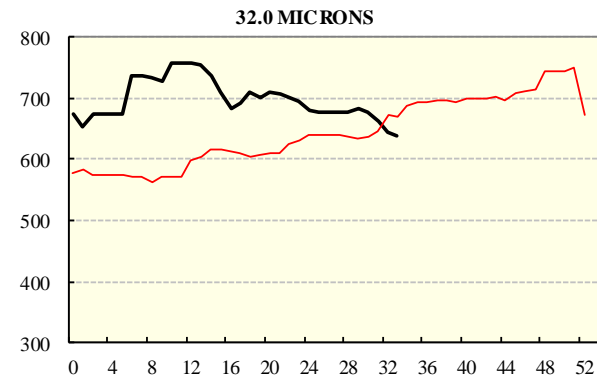
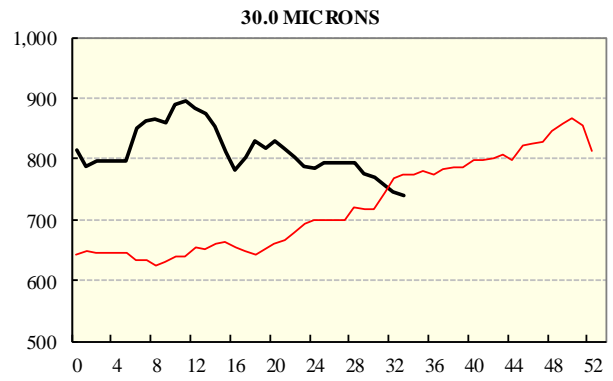
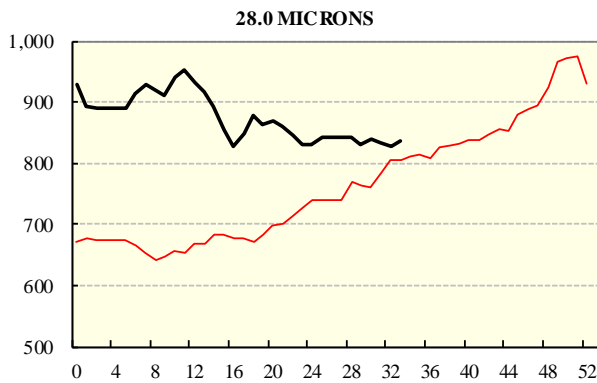
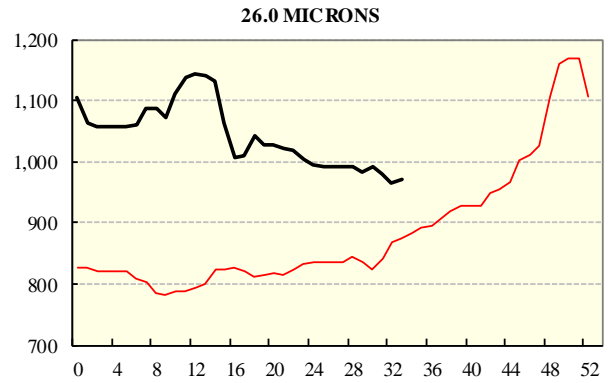
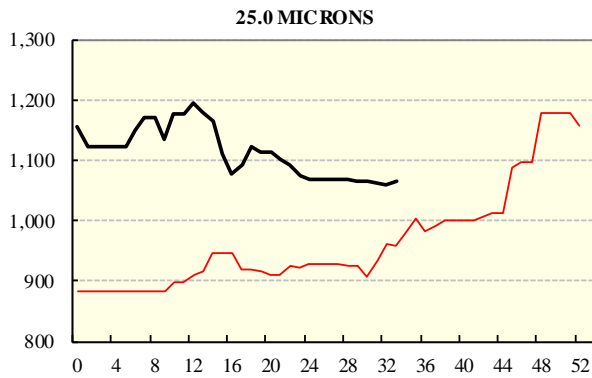
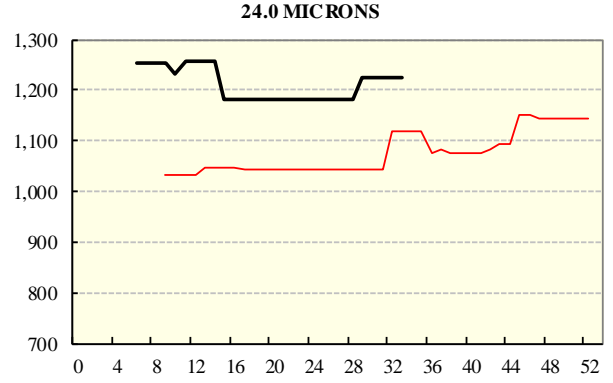
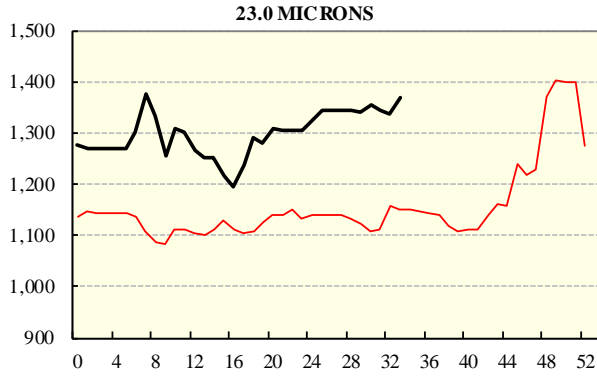
REGION BALES		
This Sale:		
North	61	
South	9,027	
West	20,577	
Progressive Totals:		Diff
North	313,625	-8.2%
South	560,780	-10.0%
West	222,896	-4.4%

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)

