

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW

Week Ending 15 January 2016 (Week 29)

The AWEX EMI finished 17¢ higher (+1.3%) in Australian currency and 21¢ lower (-2.3%) in US currency at sales in Sydney, Melbourne and Fremantle this week.

53,626 bales were on offer nationally, compared with 42,434 bales last sale. 4.3% of the offering was passed in.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 29)									
Centre	Last Sale		Day-to-Day Changes (Week 29)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	25	1265	+14	+10	-7	17 (1.3%)	1282	-21	-21
Northern	25	1294	No Sale	+27	-7	20 (1.5%)	1314	-18	-20
Southern	25	1246	+23	0	-8	15 (1.2%)	1261	-21	-23
Western	25	1320	No Sale	+41	-11	30 (2.3%)	1350	-12	-15

The market opened on a strong note, continuing on from the good finish in the last sale prior to Christmas. This was helped by the 3.5% fall in the US exchange rate since the last sale. But, weighed up against this was the global economic uncertainty associated with lower prices for other commodities and recent economic events in China.

There were good increases across all Merino micron ranges on Tuesday when only Melbourne sold (except at 23 microns, where the increase was smaller). The greatest gains were among the medium micron ranges. Crossbred types did less well than the Merinos in a large offering. Sydney and Fremantle caught up on Wednesday, while Melbourne remained virtually unchanged from the previous day. Thursday saw an easing across all micron ranges, perhaps associated with the awareness of a further increase in the expected offering to 60,000 bales in the coming sale.

Expected offerings for the coming two sales are both over 20% above the same weeks last year. No doubt, in response to the strong finish prior to Christmas and the history of price rises in past January sales.

The US exchange rate finished 2.52¢ (-3.5%) lower to close at 69.30¢ on Thursday. It had risen to over 72¢ during the break, but came back to 70¢ last week when the financial issues arose in China.

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

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	125¢	162¢	176¢	185¢	200¢
South	99¢	137¢	152¢	159¢	166¢

Market Indicator	Changes From			
	Four Sales Ago Week 22	Start of the Season	Week 29 Last Year	Season Average to Week 29 Last Year
Eastern Market Indicator	+36 (+2.9%)	+56 (+4.6%)	+228 (+21.6%)	+206 (+19.9%)
Western Market Indicator	+54 (+4.2%)	+97 (+7.7%)	+260 (+23.9%)	+202 (+18.7%)

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 ¢	+23	+20	+18	+21	+18	+17	+19	+30	+34	+32	-3	
Change %	+1.5%	+1.3%	+1.2%	+1.4%	+1.2%	+1.2%	+1.4%	+2.2%	+2.5%	+2.4%	-0.2%	
Since Start of the Season												
Change ¢	+35	+58	+69	+93	+102	+103	+81	+78	+76	+85	+70	
Change %	+2.3%	+3.9%	+4.7%	+6.5%	+7.4%	+7.7%	+6.1%	+6.0%	+5.8%	+6.6%	+5.5%	
Since Same Week Last Year												
Change ¢	+273	+270	+262	+261	+255	+251	+234	+230	+227	+239	+217	
Change %	+21.3%	+21.2%	+20.6%	+20.7%	+20.9%	+21.1%	+20.0%	+19.9%	+19.7%	+21.2%	+19.3%	

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 ¢	-2	-9	-11	-18	+4	+14
Change %	-0.2%	-0.9%	-1.3%	-2.3%	+0.6%	+1.3%
Since Start of the Season						
Change ¢	-58	-77	-62	-16	+18	+101
Change %	-5.2%	-7.3%	-7.0%	-2.0%	+2.7%	+9.8%
Since Same Week Last Year						
Change ¢	+141	+147	+67	+57	+47	+305
Change %	+15.3%	+17.6%	+8.8%	+7.9%	+7.4%	+36.8%

Average Merino Cardings Price Guide

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AWIS WOOL MARKET REVIEW Week Ending 15 January 2016 (Week 29)

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.

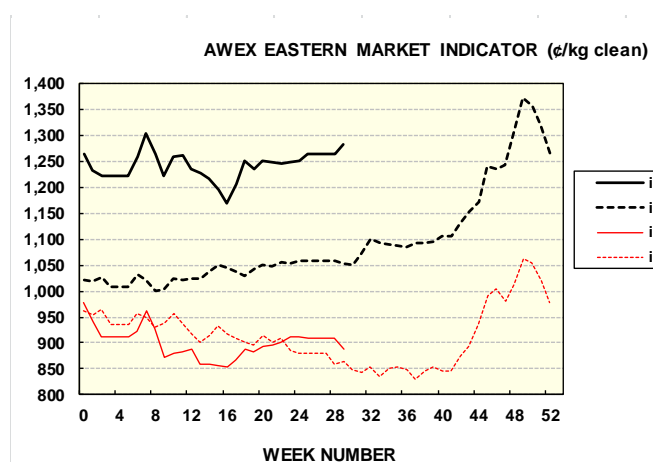
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re-Offered	Bales Sold
North	12,970	11,905	4.0%	2.0%	2.9%	11,431
South	20,906	28,724	3.5%	2.6%	4.0%	27,728
West	8,558	12,997	6.5%	1.2%	4.7%	12,153
Australia	42,434	53,626	4.3%	2.1%	3.9%	51,312

Actual and % Changes in the Progressive Offerings from Last Year	
-28,091	-9.7%
-63,850	-12.1%
-13,941	-7.1%
-105,882	-10.4%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 30	Week 31	Week 32	Differences
North	17,341	11,200	12,500	+12.5%
South	29,510	25,100	23,720	+13.5%
West	13,259	8,900	9,000	+26.4%
New Zealand				
Australia	60,110	45,200	45,220	+15.6%
Differences	+26.9%	+20.8%	-0.4%	

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	71.82	-1.21	-0.85	+0.04	+0.53	-1.03	-2.52 (-3.5%)	69.3	69.3	76.49
Euro	66.19	-1.27	-1.00	+0.22	+0.81	-1.33	-2.57 (-3.9%)	63.62	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 - November
	November 2015	July - November This Season	July - November 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%



AVERAGE EMI	
This Year	1241
Last Year	1102
2013/14	1070
2012/13	1035
2011/12	1198

SEASON AVERAGES		
Region	This Year	Diff
North	1,266	142
South	1,225	138
West	1,280	151

THIS YEAR'S EMI	
This Week	1282
First Week	1231
Low (14/03/0)	1,169
High (27/07/0)	1304

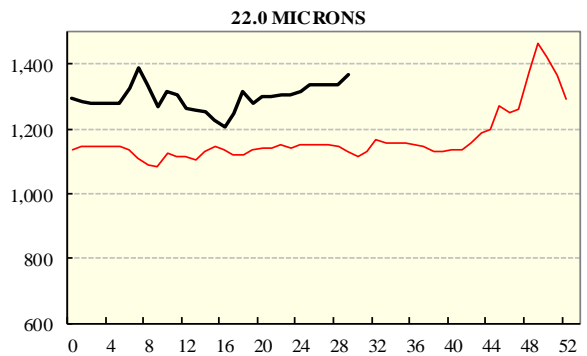
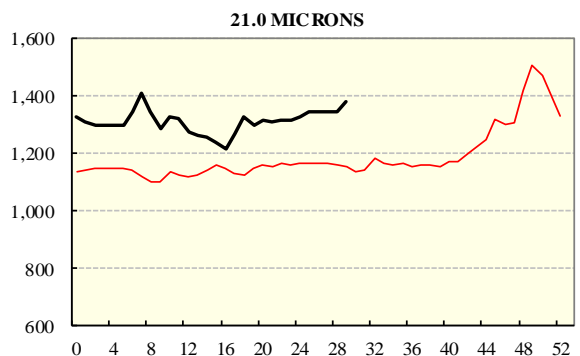
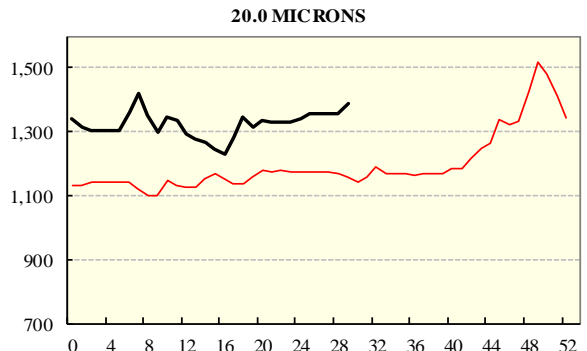
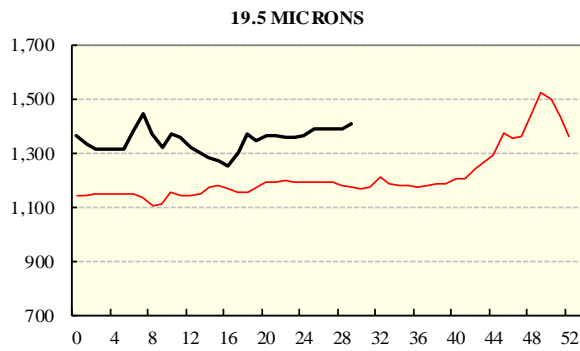
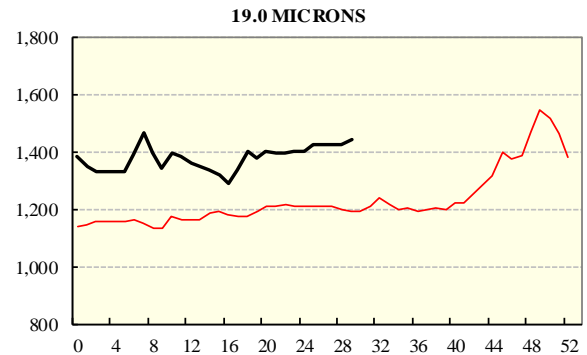
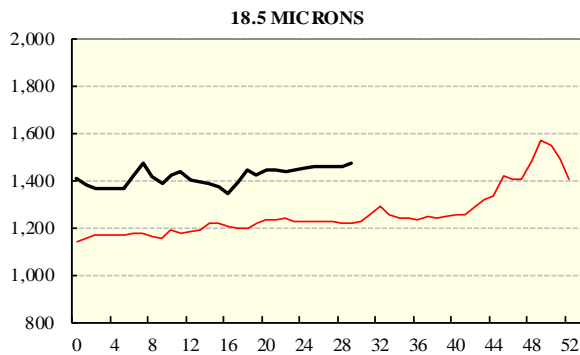
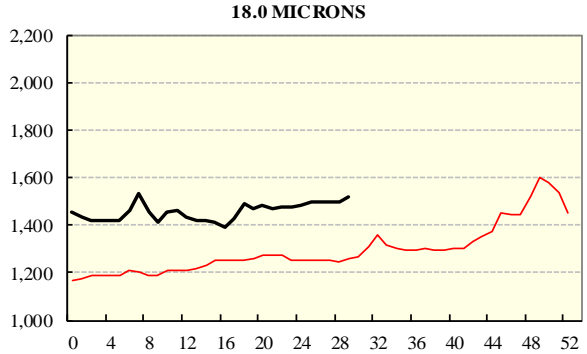
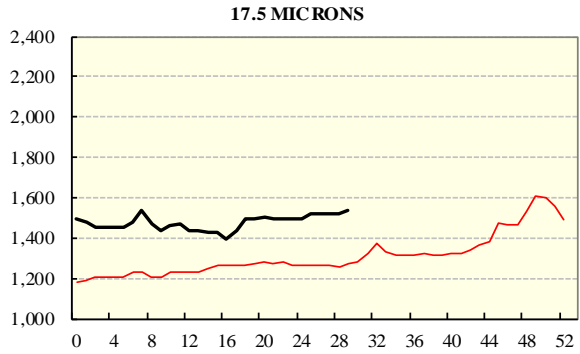
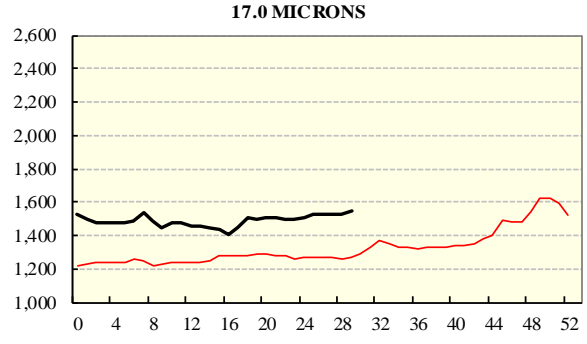
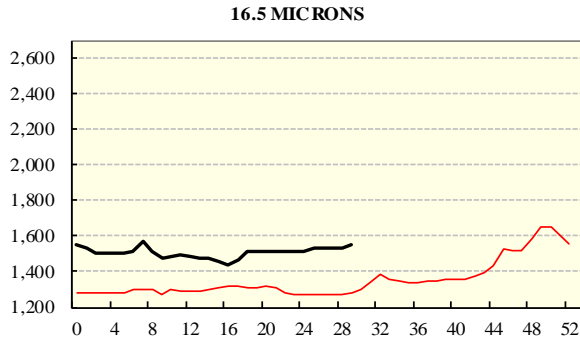
COMPARED WITH WEEK 1		
Region	This Week	Diff
North	1314	64
South	1261	42
West (Wk)	1350	99

BALES OFFERED	
This Year	909,342
Last Year	1,015,224
Difference	-105,882
% Diff	-10.4%
FIRST OFFERED BALES	
Difference	-8.8%
% of Offering	95.1%

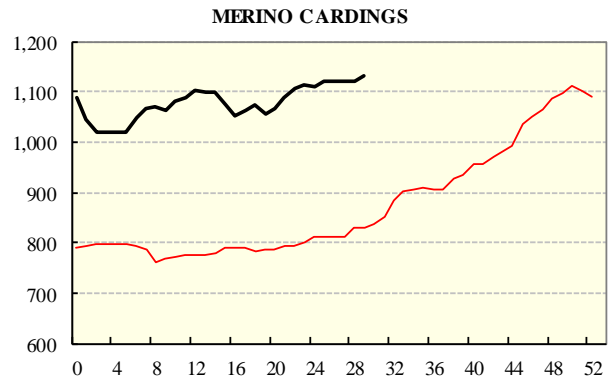
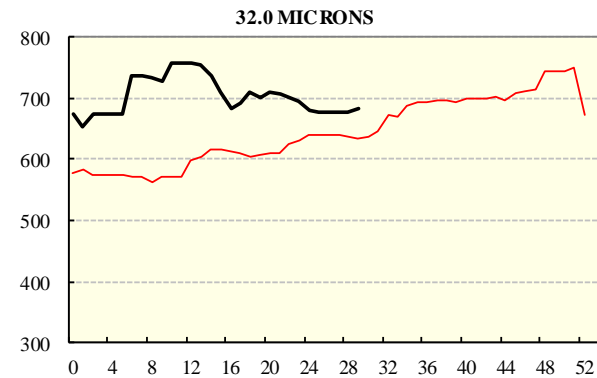
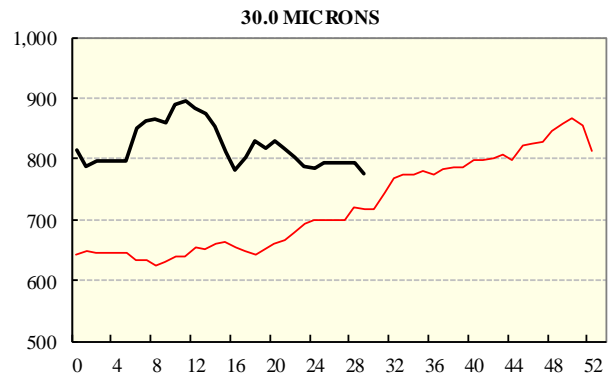
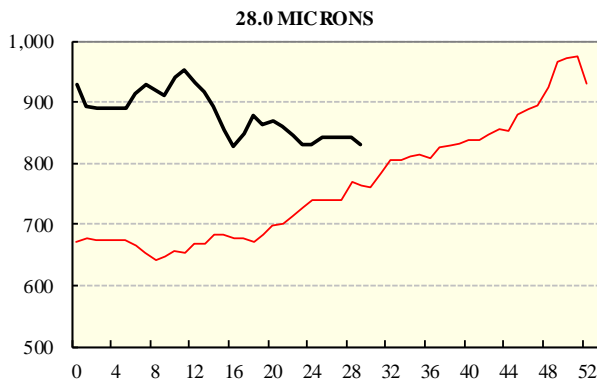
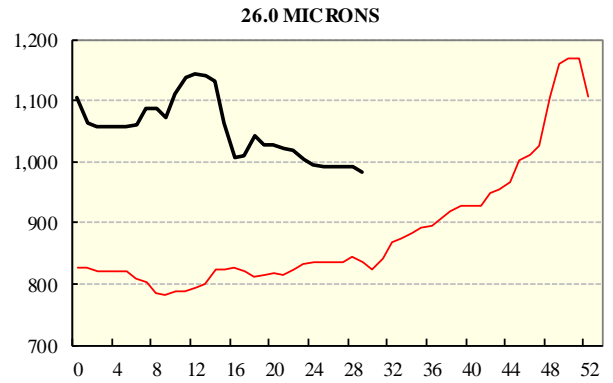
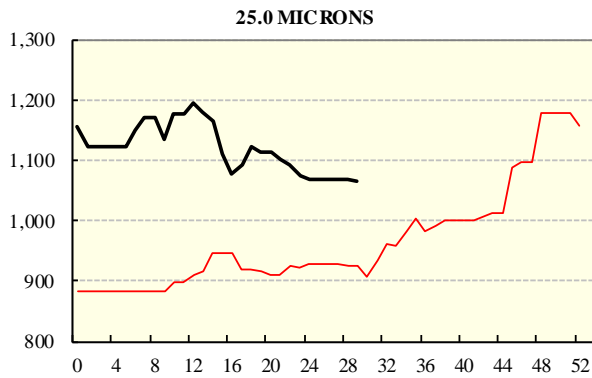
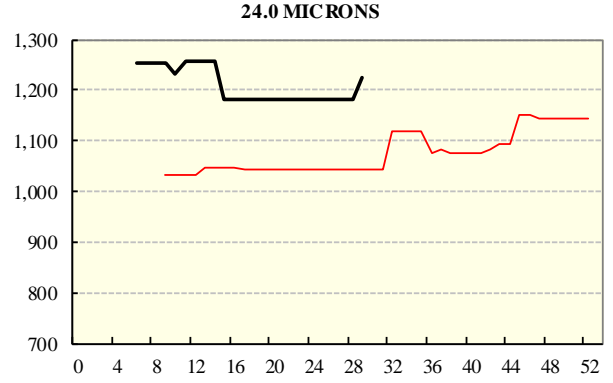
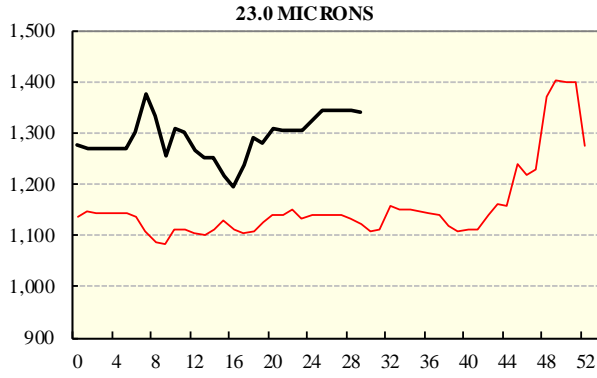
REGION BALES		
This Sale:		
North	60	
South	11,905	
West	28,724	
Progressive Totals:		Diff
North	262,657	-9.7%
South	464,106	-12.1%
West	182,579	-7.1%

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)

