

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW

Week Ending 17 June 2016 (Week 51)

The AWEX EMI finished 9¢ higher (+0.7%) in Australian currency and 3¢ lower (-0.3%) in US currency at sales in Sydney, Melbourne and Fremantle this week.

31,672 bales were on offer nationally, compared with 27,231 bales last sale. 6.6% of the offering was passed in.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 51)									
Centre	Last Sale		Day-to-Day Changes (Week 51)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	50	1270	No Sale	+6	+3	9 (0.7%)	1279	-3	+6
Northern	50	1292	No Sale	+6	+2	8 (0.6%)	1300	-3	+6
Southern	50	1255	No Sale	+7	+4	11 (0.9%)	1266	-1	+8
Western	49	1370	No Sale	-13	+5	-8 (-0.6%)	1362	-16	-4

It was a good sale with strong demand for the better types this week. The rise in the EMI in Australian currency led to the pass-in rate falling from 11.7% last week when the 3.1% increase in the US exchange Rate resulted in a 26¢ fall in the EMI is Australian currency.

The Northern and Southern Regional Indicators got away to a good start on Wednesday, particularly from 18.5 to 22 microns. The Western Region Indicator was down by 13¢ from its previous sale two weeks ago. This was similar to the shift of 17¢ in the EMI over the same period.

Overall, the 18.5 to 23 micron average AWEX MPGs were up by around 1.3% on average. Changes in the crossbred MPGs was again very mixed with only the 26 micron average MPG moving up. This was driven by demand in the South.

Merino skirtings followed the strong start for the fleece types and continued in that manner for the two days. Demand for oddments was a bit easier; leading to a small fall of 3¢ in the average AWEX Merino Cardings Price Guide.

The US exchange rate was more settled after last week's 3.1% increase. It finished 0.74¢ (-1.0%) lower to close at 73.91¢ on Thursday. The finance market appeared to have factored in the expectation that the United States Federal Reserve would leave interest rates unchanged when it met this week.

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	112¢	133¢	158¢	155¢	168¢
South	94¢	107¢	127¢	134¢	145¢

Market Indicator	Changes From			
	Four Sales Ago Week 47	Start of the Season	Week 51 Last Year	Season Average to Week 51 Last Year
Eastern Market Indicator	-12 (-0.9%)	+53 (+4.3%)	-41 (-3.1%)	+155 (+14.1%)
Western Market Indicator	-13 (-0.9%)	+109 (+8.7%)	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 ¢		+6	+5	+7	+14	+15	+17	+18	+27	+17	+20	
Change %		+0.4%	+0.3%	+0.5%	+1.0%	+1.0%	+1.2%	+1.3%	+2.0%	+1.2%	+1.5%	
Since Start of the Season												
Change ¢	+21	+43	+60	+77	+111	+130	+125	+110	+96	+101	+101	
Change %	+1.4%	+2.9%	+4.1%	+5.4%	+8.1%	+9.7%	+9.4%	+8.4%	+7.4%	+7.9%	+8.0%	
Since Same Week Last Year												
Change ¢	-65	-60	-33	-33	-3	+10	+15	+6	-2	+15		
Change %	-4.0%	-3.8%	-2.1%	-2.1%	-0.2%	+0.7%	+1.0%	+0.4%	-0.1%	+1.1%		

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 ¢		+30	-4	-1	-5	-3
Change %		+2.8%	-0.5%	-0.1%	-0.9%	-0.3%
Since Start of the Season						
Change ¢	+67	+39	-109	-90	-94	+54
Change %	+6.0%	+3.7%	-12.2%	-11.4%	-14.2%	+5.2%
Since Same Week Last Year						
Change ¢		-71	-191	-154	-180	-14
Change %		-6.1%	-19.6%	-18.0%	-24.0%	-1.3%

Average Merino Cardings Price Guide

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AWIS WOOL MARKET REVIEW Week Ending 17 June 2016 (Week 51)

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	12,134	9,021	5.6%	4.2%	3.2%	8,516
South	15,097	17,130	6.2%	2.6%	5.5%	16,076
West		5,521	9.9%	6.1%	8.8%	4,975
Australia	27,231	31,672	6.6%	3.7%	5.5%	29,567

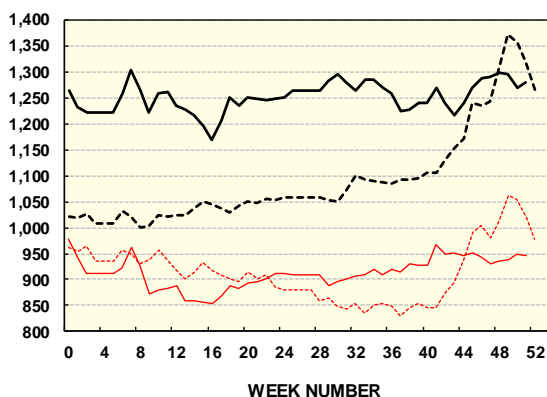
Actual and % Changes in the Progressive Offerings from Last Year	
-50,098	-9.1%
-93,592	-9.5%
-15,590	-4.1%
-159,280	-8.3%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 52	Week 53	Week 01	Differences
North	10,681	11,190	12,690	+6.1%
South	13,479	17,000	19,486	+31.2%
West	No Sale	6,207	8,217	-33.7%
New Zealand				
Australia	24,160	34,397	40,393	-30.1%
Differences	-46.4%	No Sale in 2015	-14.7%	

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	74.65	-0.50	Public	-0.14	-0.27	+0.17	-0.74 (-1.0%)	73.91	69.05	78.12
Euro	65.50	+0.11	Holiday	-0.02	+0.21	-0.26	+0.04 (+0.1%)	65.54	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%

AWEX EASTERN MARKET INDICATOR (¢/kg clean)



AVERAGE EMI	
This Year	1253
Last Year	1102
2013/14	1070
2012/13	1035
2011/12	1198

SEASON AVERAGES		
Region	This Year	Diff
North	1278	+154
South	1236	+149
West	1306	+177

THIS YEAR'S EMI	
This Week	1279
First Week	1231
Low (16/10)	1169
High (14/08)	1304

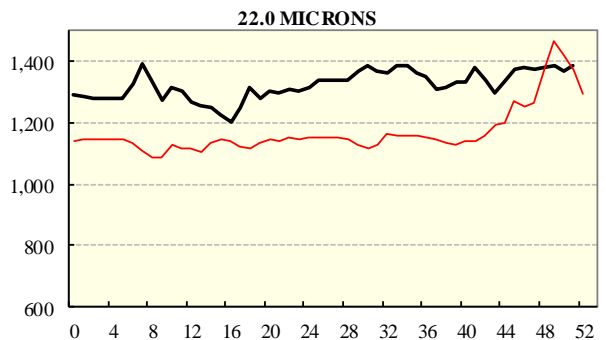
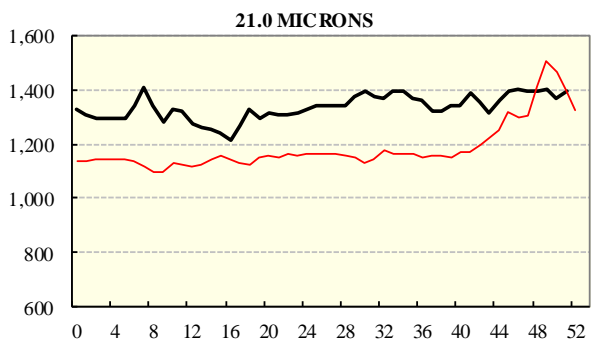
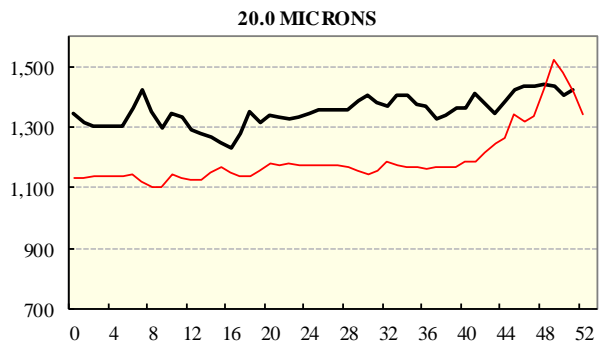
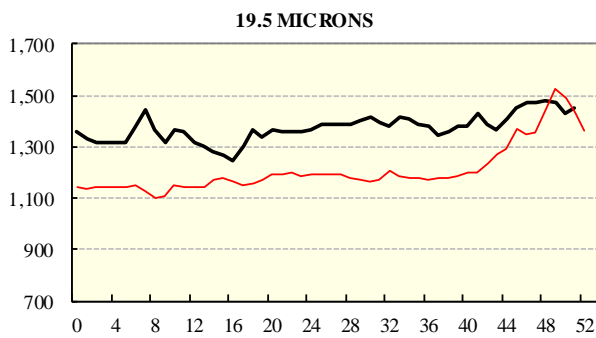
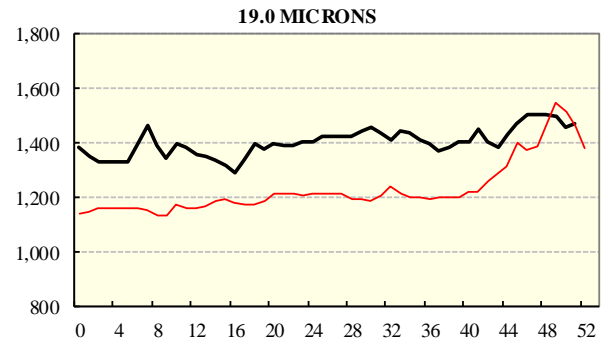
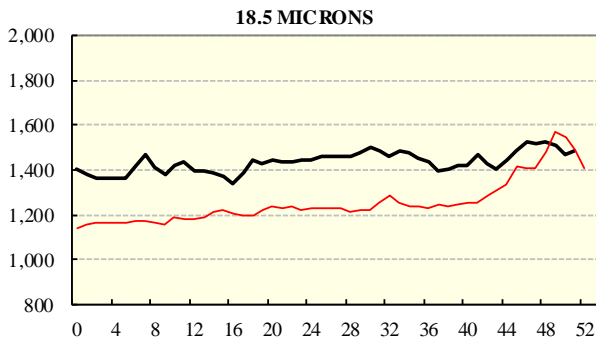
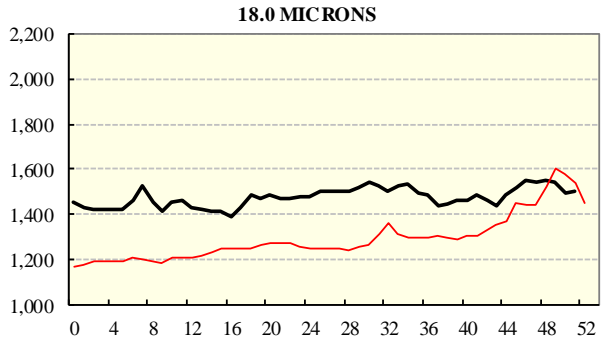
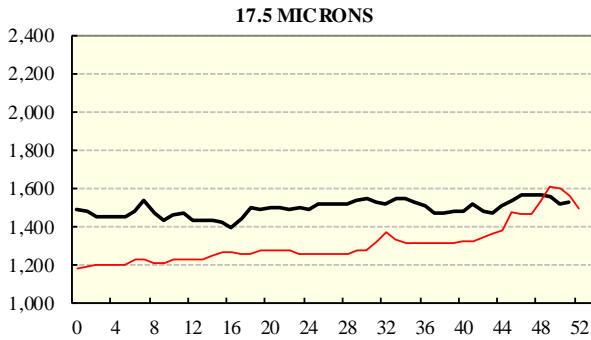
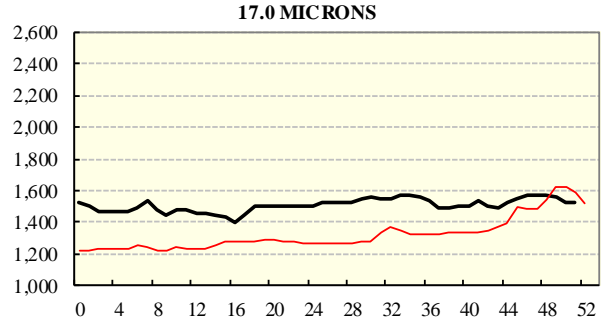
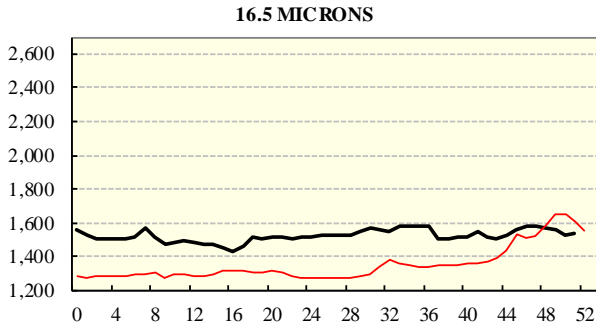
COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1300	+54
South	1266	+53
West	1362	+109

BALES OFFERED	
This Year	1,750,441
Last Year	1,909,721
Difference	-159,280
% Diff	-8.3%
FIRST OFFERED BALES	
Difference	-7.8%
% of Offering	94.4%

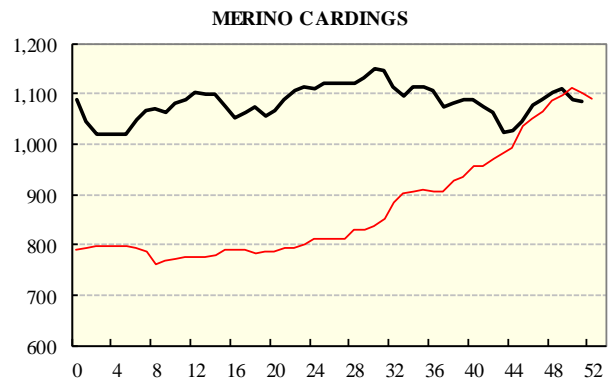
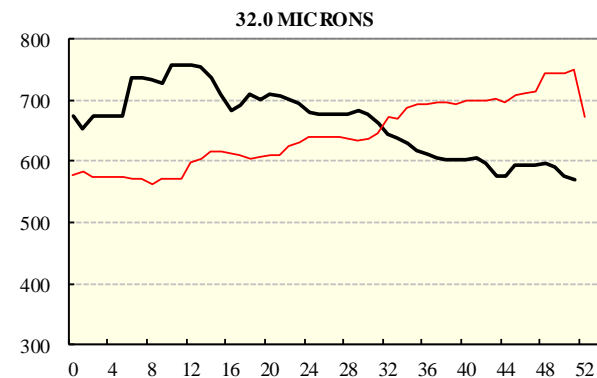
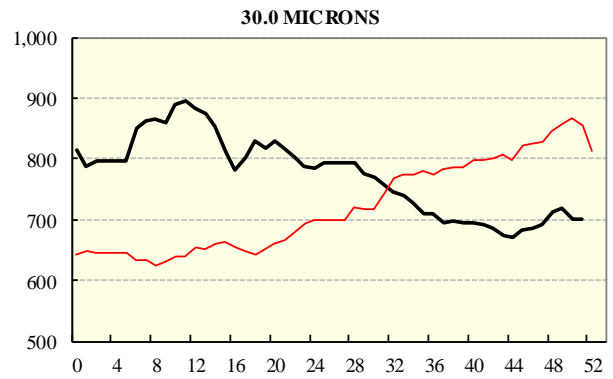
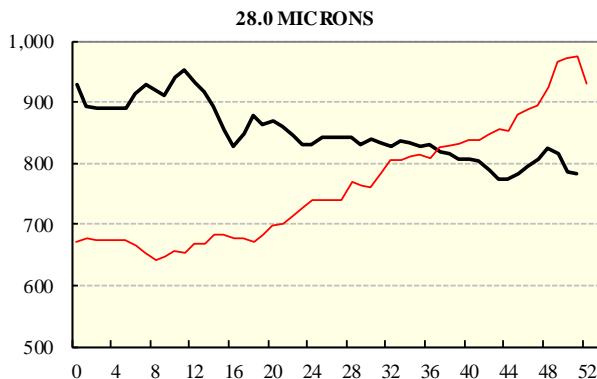
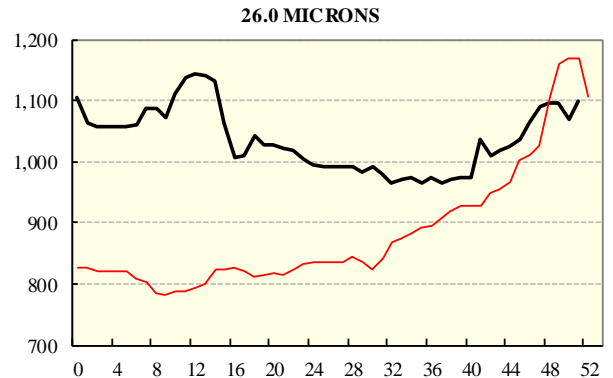
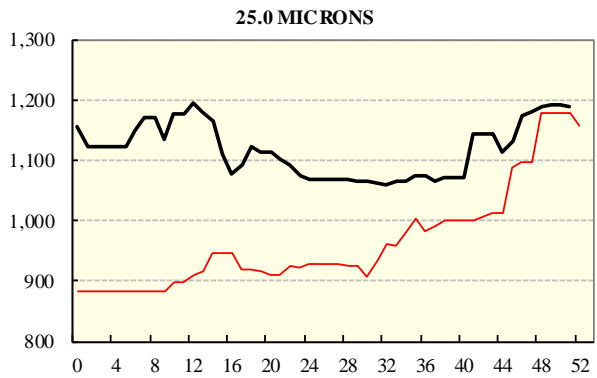
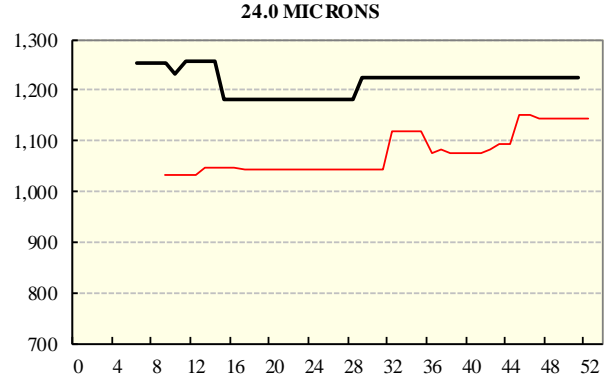
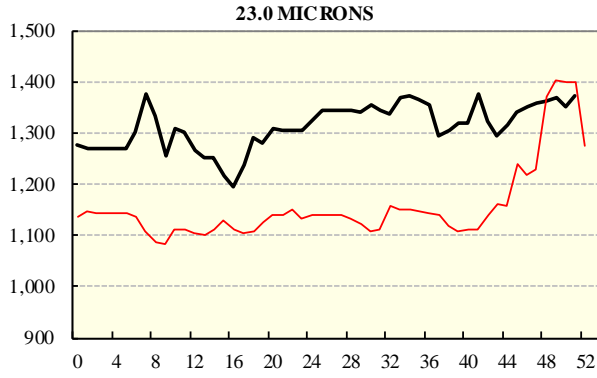
REGION BALES		
This Sale:		
North	9,021	
South	17,130	
West	5,521	
Progressive Totals:		Diff
North	497,629	-9.1%
South	892,652	-9.5%
West	360,160	-4.1%

AVERAGE AWEX MICRON PRICE GUIDES

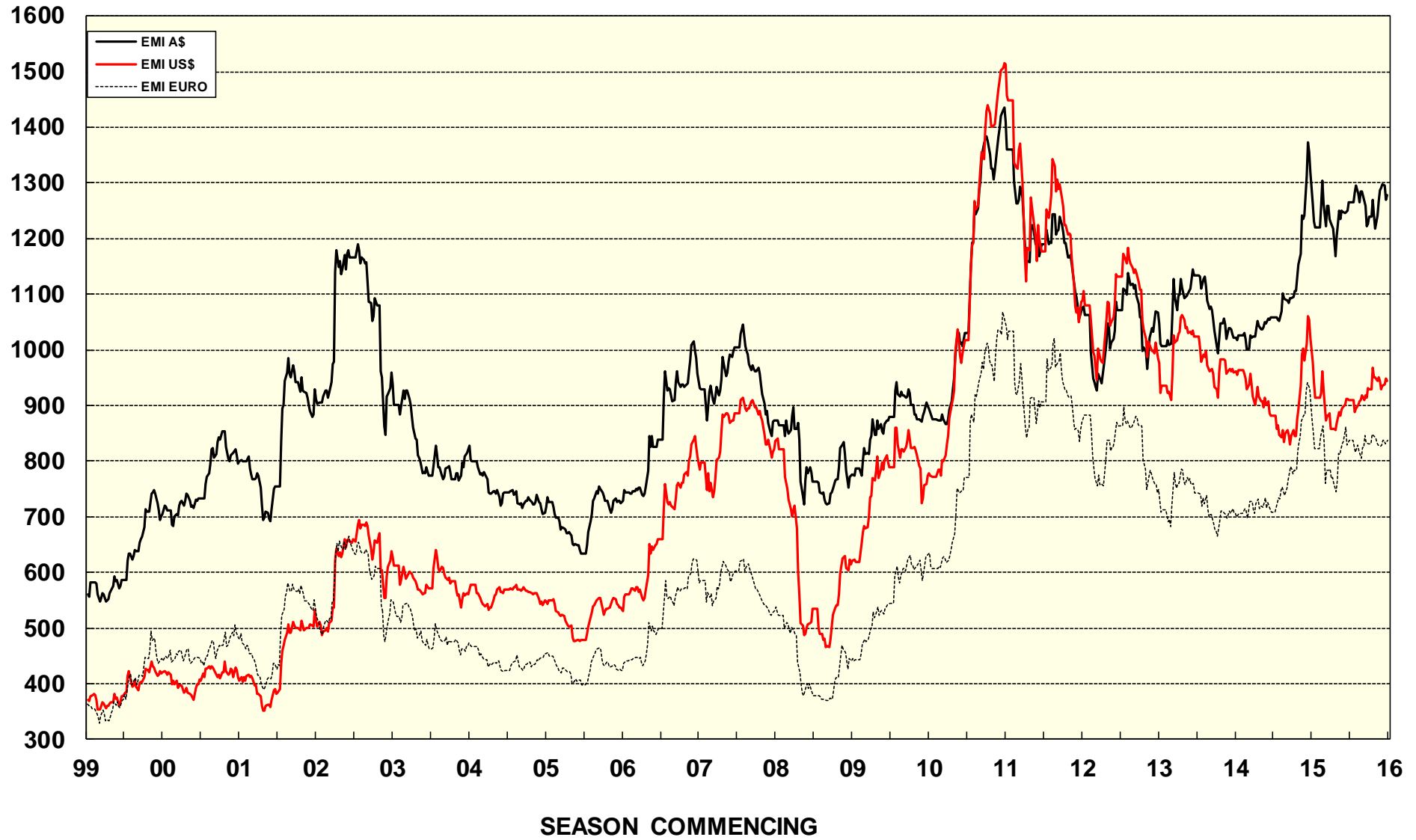
2015/16 (black graph line) and 2014/15 (red graph line)



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)



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