

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW

Week Ending 18 March 2016 (Week 38)

The AWEX EMI finished 4¢ higher (+0.3%) in Australian currency and 17¢ higher (+1.9%) in US currency at sales in Sydney, Melbourne and Fremantle this week.

38,842 bales were on offer nationally, compared with 39,082 bales last sale. 5.8% of the offering was passed in.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 38)									
Centre	Last Sale		Day-to-Day Changes (Week 38)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	37	1223	No Sale	+2	+2	4 (0.3%)	1227	+17	-3
Northern	37	1250	No Sale	-3	+5	2 (0.2%)	1252	+16	-4
Southern	37	1206	No Sale	+5	0	5 (0.4%)	1211	+18	-2
Western	37	1276	No Sale	+11	-6	5 (0.4%)	1281	+18	-2

It was a good week for wool with keen demand; and trade reports of significant enquiry from China. The demand was strong enough to cancel out the increase in the US Exchange Rate and to keep the EMI well above 1200¢ in Australian currency. The EMI in US Currency (931¢) was the highest since early August.

The AWEX Merino MPG's moved in mixed directions over the two days of selling. However, the three Regional AWEX Indicators all finished up by similar amounts for the week.

The average AWEX Merino MPG's were unchanged from 16.5 to 17.5 microns, after which they were mostly up by 0.5% to 0.9%. Merino skirtings did well on Wednesday, but were more mixed on Thursday. Crossbred average MPG's were also a bit mixed over the two days of selling, before fishing slightly up for the week (except for 32 microns). Oddments started well on Wednesday, but were also more mixed on Thursday.

The US exchange rate finished 1.18¢ (1.6%) higher to close at 75.91¢ on Thursday. Financial analysts attributed the rise to the ongoing rise in the prices for key energy commodities and minerals. Looking ahead, the US exchange rate rose further to move over 76¢ in overnight trading on Thursday night and remained there on Friday.

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

Differences in AWEX MPG's	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	101¢	132¢	163¢	188¢	202¢
South	89¢	130¢	141¢	168¢	183¢

Market Indicator	Changes From			
	Four Sales Ago Week 34	Start of the Season	Week 38 Last Year	Season Average to Week 38 Last Year
Eastern Market Indicator	-58 (-4.5%)	+1 (+0.1%)	+134 (+12.3%)	+199 (+19.0%)
Western Market Indicator	-74 (-5.5%)	+28 (+2.2%)	+165 (+14.8%)	+207 (+19.0%)

Sale-to-Sale Changes in Average AWEX Merino Micron Price Guides (MPG's)												
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 ¢		+2	0	+7	+5	+10	+12	+7	+1	+5	+11	
Change %		+0.1%	0.0%	+0.5%	+0.4%	+0.7%	+0.9%	+0.5%	+0.1%	+0.4%	+0.9%	
Since Start of the Season												
Change ¢	-8	+11	+4	+22	+30	+41	+34	+26	+21	+32	+35	
Change %	-0.5%	+0.7%	+0.3%	+1.5%	+2.2%	+3.1%	+2.6%	+2.0%	+1.6%	+2.5%	+2.8%	
Since Same Week Last Year												
Change ¢	+161	+165	+153	+151	+161	+179	+176	+170	+167	+182	+188	
Change %	+11.9%	+12.4%	+11.6%	+11.6%	+13.0%	+14.9%	+14.9%	+14.6%	+14.4%	+16.1%	+16.8%	

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 ¢	+8	+6	-1	+2	-2	+4
Change %	+0.8%	+0.6%	-0.1%	+0.3%	-0.3%	+0.4%
Since Start of the Season						
Change ¢	-51	-88	-76	-94	-61	+47
Change %	-4.5%	-8.3%	-8.5%	-11.9%	-9.2%	+4.6%
Since Same Week Last Year						
Change ¢	+71	+54	-14	-88	-93	+151
Change %	+7.1%	+5.9%	-1.7%	-11.2%	-13.4%	+16.3%

Average Merino Cardings Price Guide

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Week Ending 18 March 2016 (Week 38)

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 January 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	8,546	8,340	3.5%	3.5%	3.4%	8,045
South	21,386	20,289	6.4%	6.0%	5.3%	18,981
West	9,150	10,213	6.3%	7.4%	4.6%	9,571
Australia	39,082	38,842	5.8%	5.9%	4.7%	36,597

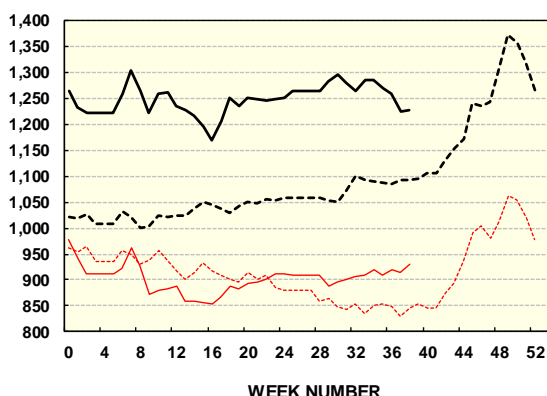
Actual and % Changes in the Progressive Offerings from Last Year	
-36,710	-9.1%
-73,342	-9.9%
-9,688	-3.4%
-119,740	-8.4%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 39	Week 40	Week 41	Differences
North	13,753	No Sale	12,900	+6.9%
South	23,569	No Sale	29,400	+17.9%
West	10,969	No Sale	10,250	+8.3%
New Zealand				
Australia	48,291		52,550	+16.6%
Differences	+16.6%		No Sale Last Year	

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	74.73	+0.15	+0.99	-0.98	-0.36	+1.38	+1.18 (+1.6%)	75.91	69.05	76.49
Euro	68.08	-1.03	+0.91	-0.54	-0.28	+0.53	-0.41 (-0.6%)	67.67	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 - January
	January 2016	July - January This Season	July - January Last Season	
China	74.3%	73.4%	74.1%	-9.4%
India	5.4%	7.8%	6.7%	+7.4%
Italy	4.6%	5.6%	5.0%	+3.4%
Czech Republic	6.8%	5.4%	5.2%	-5.1%
Malaysia	2.0%	1.6%	2.0%	-27.7%
Korea	1.6%	1.7%	2.2%	-32.6%
Taiwan	0.8%	0.9%	1.0%	-16.5%
Egypt	1.0%	1.1%	1.0%	+9.6%
Change all Countries				-8.6%

AWEX EASTERN MARKET INDICATOR (¢/kg clean)



AVERAGE EMI	
This Year	1248
Last Year	1102
2013/14	1070
2012/13	1035
2011/12	1198

SEASON AVERAGES		
Region	This Year	Diff
North	1,273	148
South	1,231	144
West	1,294	166

THIS YEAR'S EMI	
This Week	1227
First Week	1231
Low (14/03/0)	1,169
High (27/07/0)	1304

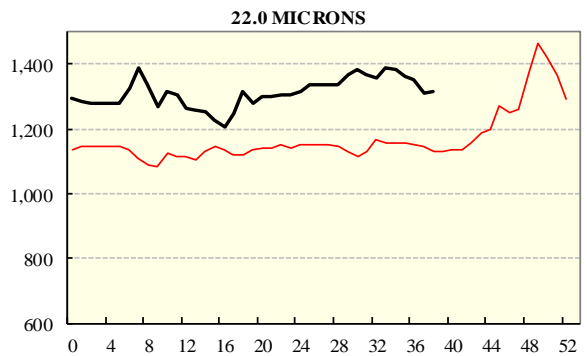
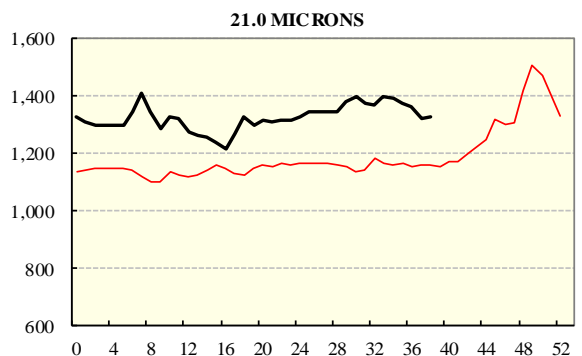
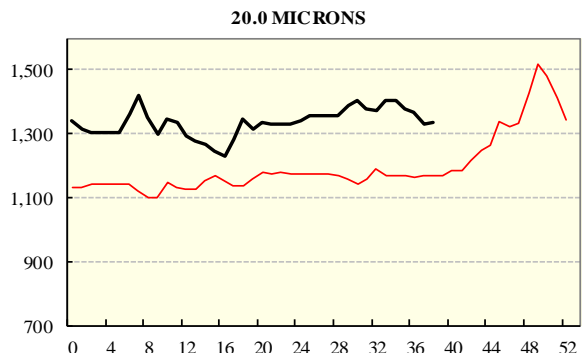
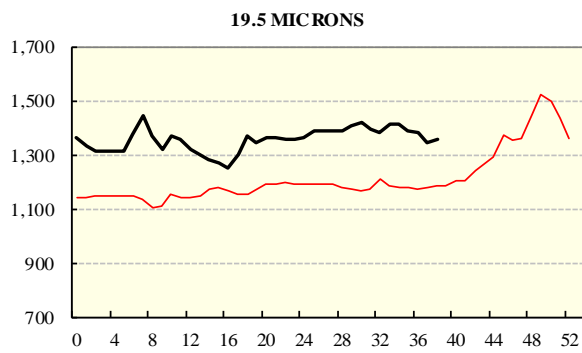
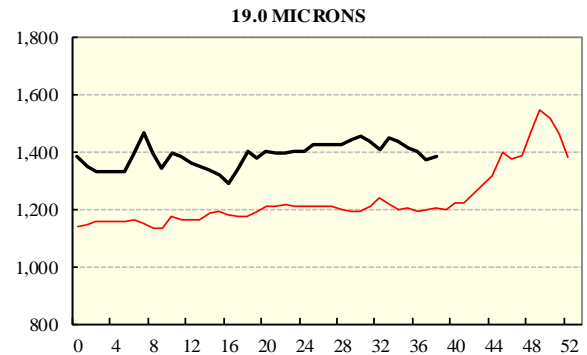
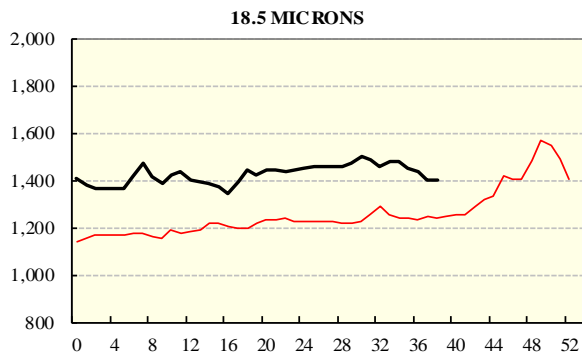
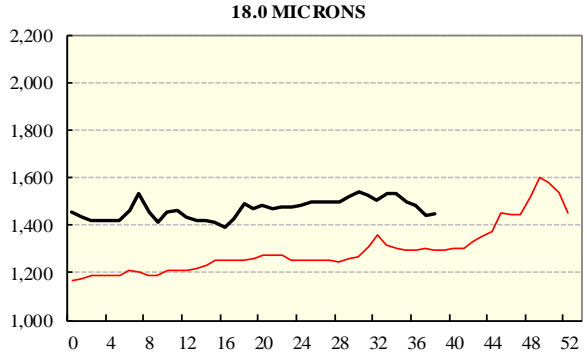
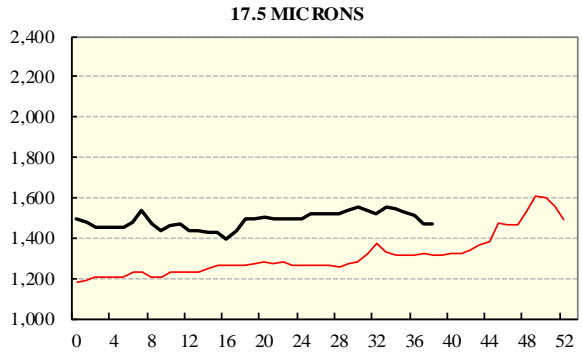
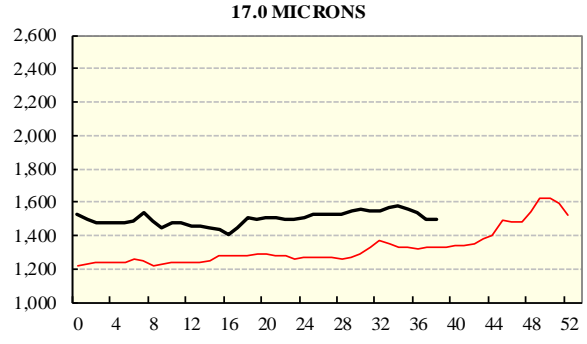
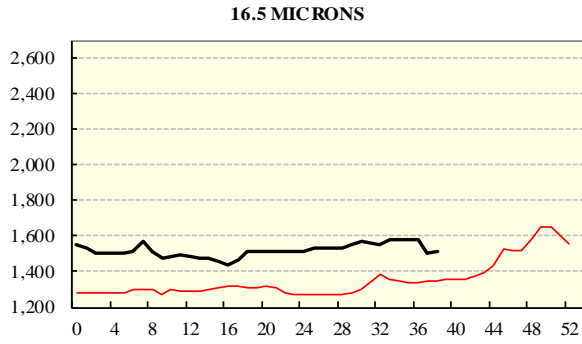
COMPARED WITH WEEK 1		
Region	This Week	Diff
North	1252	2
South	1211	-8
West (Wk)	1281	30

BALES OFFERED	
This Year	1,302,886
Last Year	1,422,626
Difference	-119,740
% Diff	-8.4%
FIRST OFFERED BALES	
Difference	-6.8%
% of Offering	94.9%

REGION BALES		
This Sale:		
North	64	
South	8,340	
West	20,289	
Progressive Totals:		
North	365,844	-9.1%
South	664,292	-9.9%
West	272,750	-3.4%

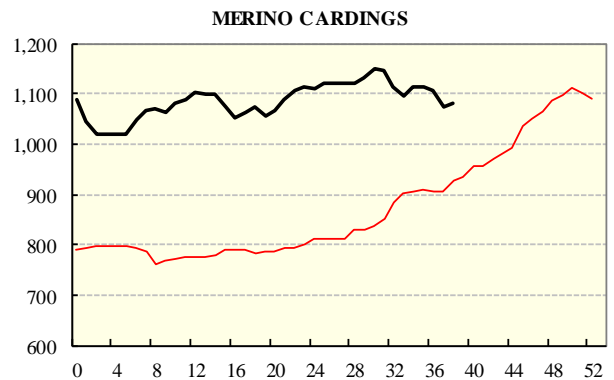
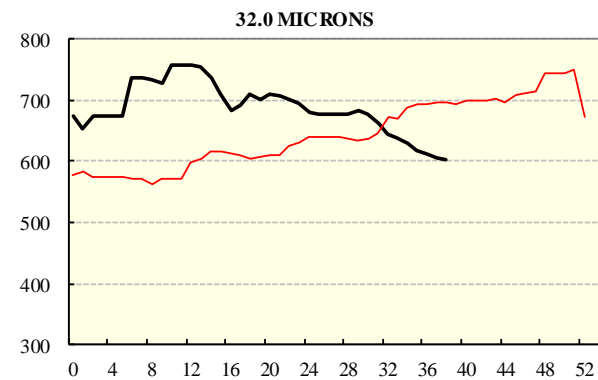
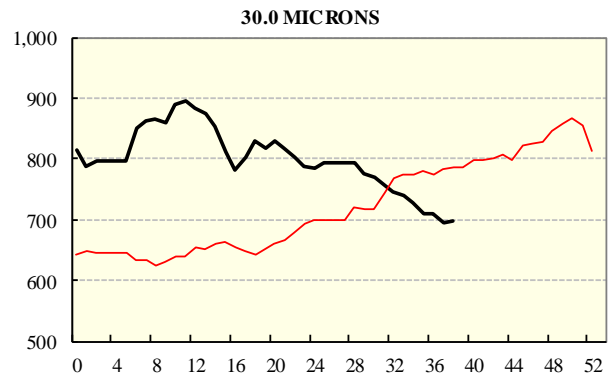
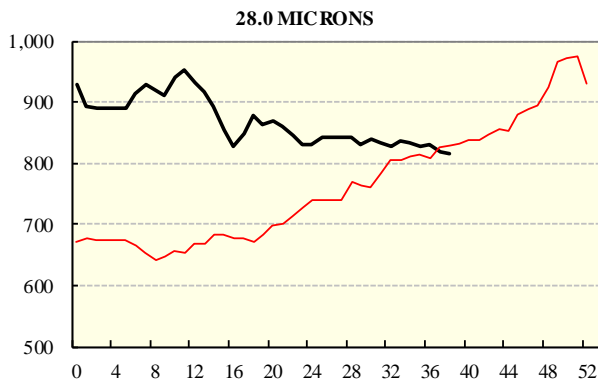
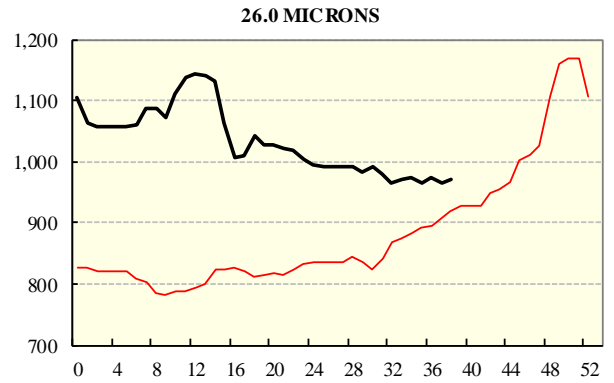
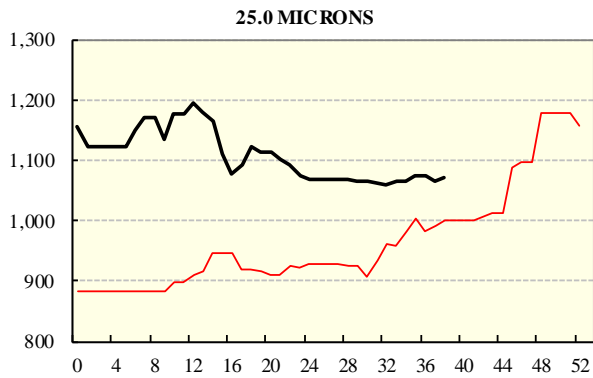
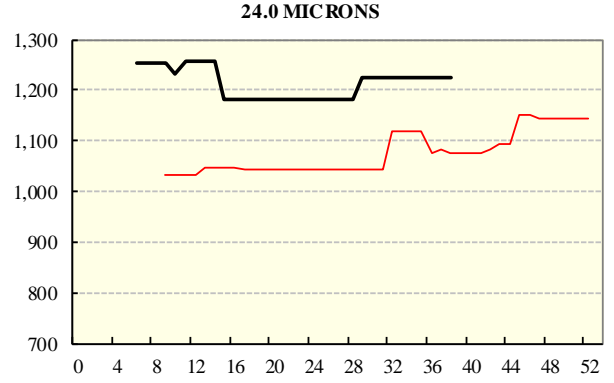
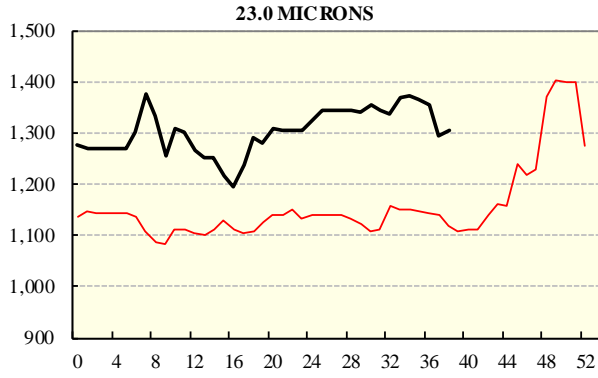
AVERAGE AWEX MICRON PRICE GUIDES

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

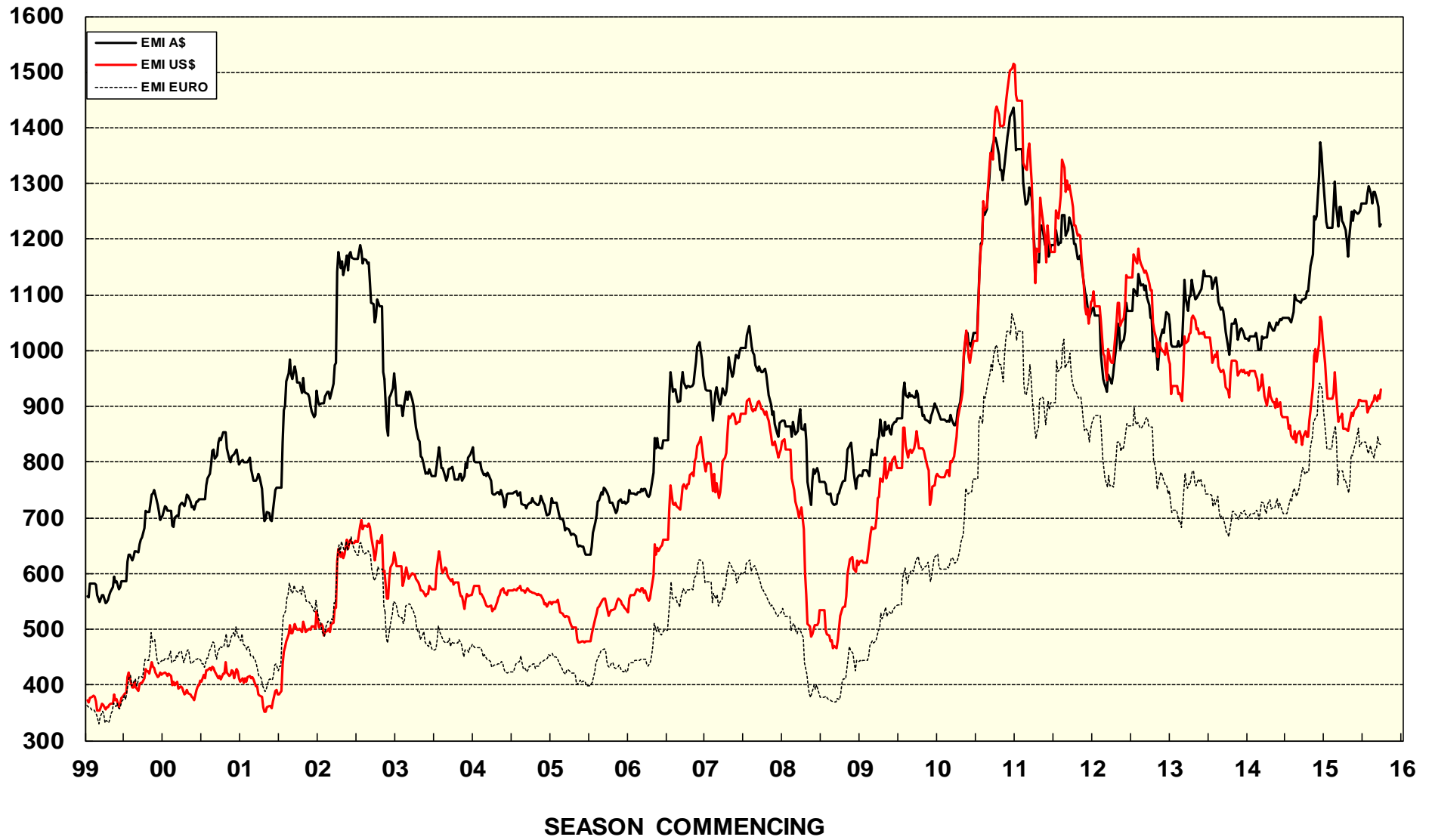


AVERAGE AWEX MICRON PRICE GUIDES

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)



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