

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW

Week Ending 27 May 2016 (Week 48)

The AWEX EMI finished 6¢ higher (+0.5%) in Australian currency and 7¢ higher (+0.8%) in US currency at sales in Sydney and Melbourne this week.

29,403 bales were on offer nationally, compared with 42,318 bales last sale (when all three centres sold). 5.3% of the offering was passed in.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 48)									
Centre	Last Sale		Day-to-Day Changes (Week 48)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	47	1291	No Sale	+1	+5	6 (0.5%)	1297	+7	+8
Northern	47	1322	No Sale	-1	+6	5 (0.4%)	1327	+6	+8
Southern	47	1270	No Sale	+2	+6	8 (0.6%)	1278	+8	+9
Western	47	1375	No Sale	No Sale	No Sale				

It was a solid sale this week, with the EMI up by small amounts in both Australian and US currencies on both days. It was the first time since Week 42 that the US Exchange Rate was relatively unchanged from the previous week.

The various AWEX Merino MPGs were either up or down by a small amount, or were unchanged on both days. Demand was strongest for the better types. Merino skirtings tended downward or were unchanged on Wednesday, but finished the sale in strong demand on Thursday.

Crossbreds had another positive, but mixed, week. All average MPGs were up, ranging from around +0.5% at 25, 26 and 32 microns to +1.9% at 28 microns and +2.7% at 30 microns. It was another good week for oddments with a good finish on Thursday. The Merino Carding continued their recovery of the previous three weeks. Their average AWEX Price Guide has risen by 75¢ over the last four sales.

The US exchange rate finished 0.21¢ (0.3%) higher to close at 72.14¢ on Thursday.

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

Looking ahead, the expected offering for the coming sale is 33,466 bales, the smallest three centre offering this season.

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	148¢	171¢	189¢	197¢	206¢
South	139¢	160¢	173¢	174¢	177¢

Market Indicator	Changes From			
	Four Sales Ago Week 44	Start of the Season	Week 48 Last Year	Season Average to Week 48 Last Year
Eastern Market Indicator	+56 (+4.5%)	+71 (+5.8%)	-15 (-1.1%)	+172 (+15.9%)
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 ¢		-1	+3	+4	+5	+5	+5	+6	+3	+2	+3	
Change %		-0.1%	+0.2%	+0.3%	+0.3%	+0.3%	+0.3%	+0.4%	+0.2%	+0.1%	+0.2%	
Since Start of the Season												
Change ¢	+56	+84	+99	+122	+150	+166	+154	+129	+97	+95	+92	
Change %	+3.7%	+5.7%	+6.8%	+8.5%	+10.9%	+12.4%	+11.6%	+9.8%	+7.5%	+7.4%	+7.2%	
Since Same Week Last Year												
Change ¢	-10	+25	+33	+25	+39	+36	+28	+10	-16	0	-7	
Change %	-0.6%	+1.6%	+2.2%	+1.6%	+2.6%	+2.5%	+1.9%	+0.7%	-1.1%	0.0%	-0.5%	

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 ¢	+10	+6	+15	+19	+3	+13
Change %	+0.8%	+0.6%	+1.9%	+2.7%	+0.5%	+1.2%
Since Start of the Season						
Change ¢	+67	+36	-69	-79	-68	+69
Change %	+6.0%	+3.4%	-7.7%	-10.0%	-10.2%	+6.7%
Since Same Week Last Year						
Change ¢	+13	-11	-102	-135	-148	+14
Change %	+1.1%	-1.0%	-11.0%	-15.9%	-19.9%	+1.3%

Average Merino Cardings Price Guide

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AWIS WOOL MARKET REVIEW

Week Ending 27 May 2016 (Week 48)

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 March 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	11,493	11,405	5.0%	1.0%	5.5%	10,837
South	21,150	17,998	5.5%	3.8%	7.8%	17,011
West	9,675					
Australia	42,318	29,403	5.3%	2.7%	6.9%	27,848

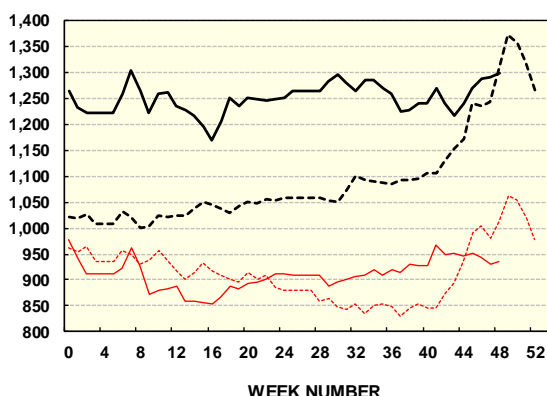
Actual and % Changes in the Progressive Offerings from Last Year	
-46,510	-9.0%
-97,894	-10.4%
-21,618	-5.9%
-166,022	-9.1%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 49	Week 50	Week 51	Differences
North	8,101	9,685	10,120	-15.7%
South	15,758	15,510	18,950	+17.7%
West	9,607	No Sale	7,200	+98.7%
New Zealand				
Australia	33,466	25,195	36,270	+12.7%
Differences	+30.5%	-27.9%	+53.5%	

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	71.93	+0.46	+0.03	-0.51	+0.16	+0.07	+0.21 (+0.3%)	72.14	69.05	78.12
Euro	64.18	+0.38	-0.05	-0.38	+0.48	-0.11	+0.32 (+0.5%)	64.50	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 - March
	March 2016	July - March This Season	July - March Last Season	
China	77.4%	74.4%	75.4%	-10.2%
India	5.7%	7.5%	6.4%	+6.8%
Italy	4.3%	5.1%	4.7%	-0.7%
Czech Republic	4.5%	5.3%	4.9%	-3.0%
Malaysia	1.7%	1.6%	1.9%	-22.0%
Korea	1.9%	1.7%	2.2%	-29.4%
Taiwan	0.4%	0.8%	0.9%	-21.4%
Egypt	1.7%	1.2%	0.9%	+17.7%
Change all Countries				-9.0%

AWEX EASTERN MARKET INDICATOR (€/kg clean)



AVERAGE EMI	
This Year	1251
Last Year	1102
2013/14	1070
2012/13	1035
2011/12	1198

SEASON AVERAGES		
Region	This Year	Diff
North	1276	152
South	1234	147
West	1303	174

THIS YEAR'S EMI	
This Week	1297
First Week	1231
Low (13/03/0)	1169
High (13/03/0)	1304

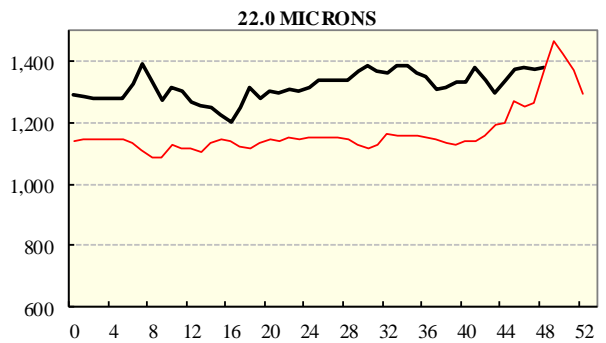
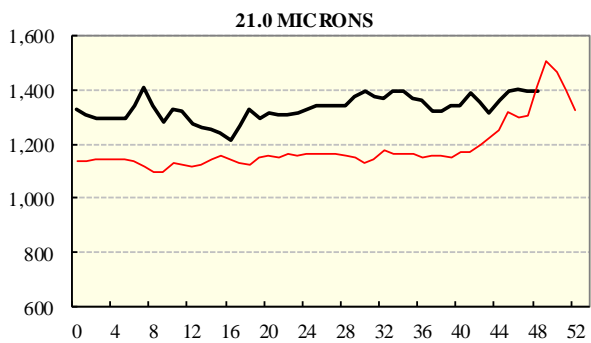
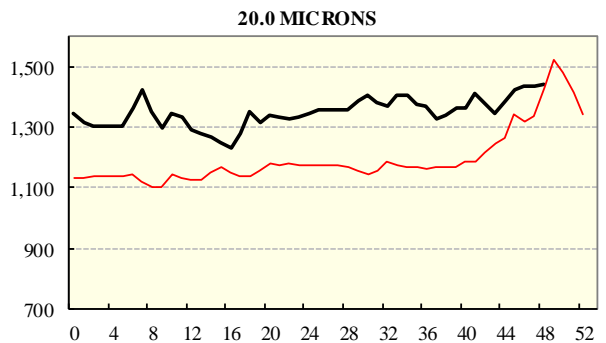
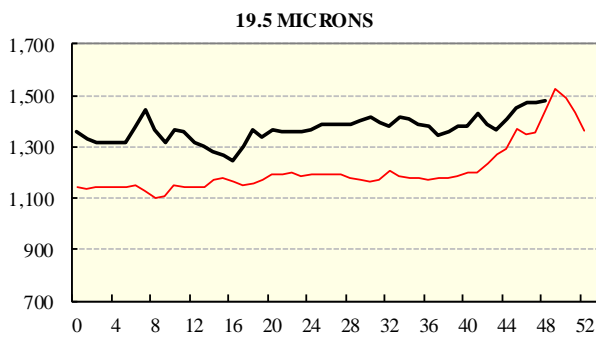
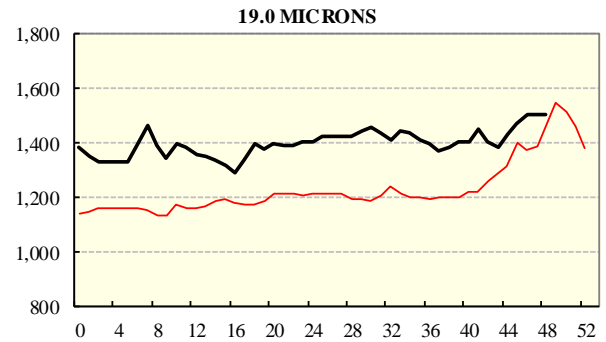
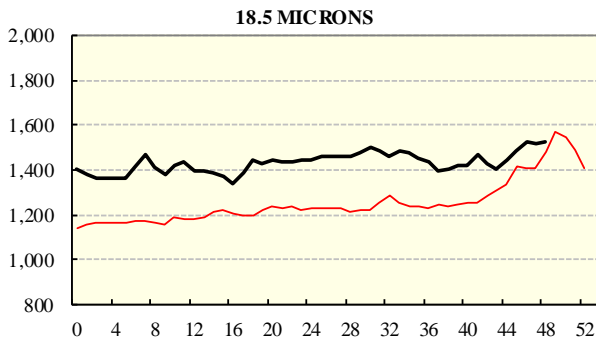
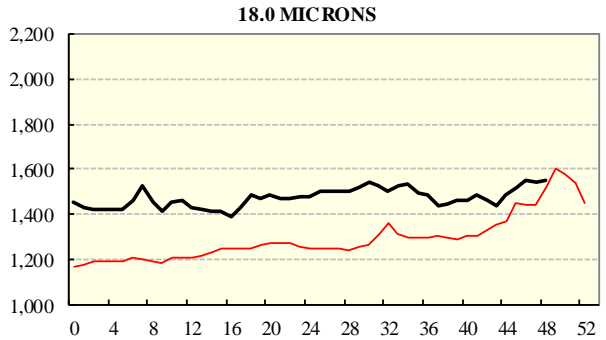
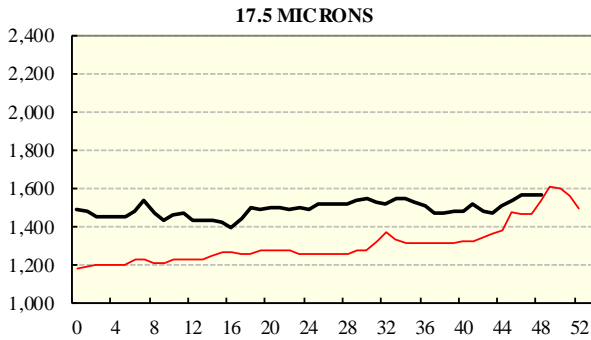
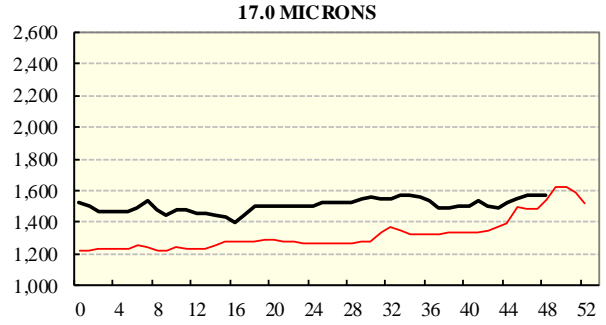
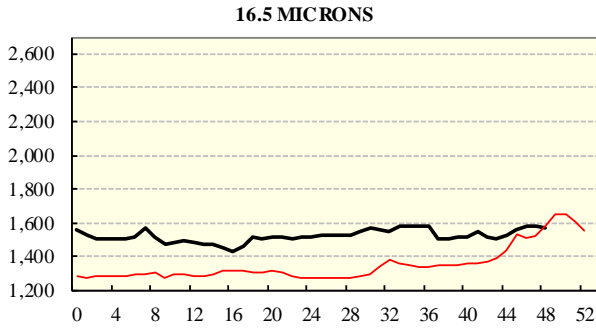
COMPARED WITH WEEK 1		
Region	This Week	Diff
North	1327	77
South	1278	59
West (Wk)	1375	124

BALES OFFERED	
This Year	1,659,495
Last Year	1,825,517
Difference	-166,022
% Diff	-9.1%
FIRST OFFERED BALES	
Difference	-8.4%
% of Offering	94.4%

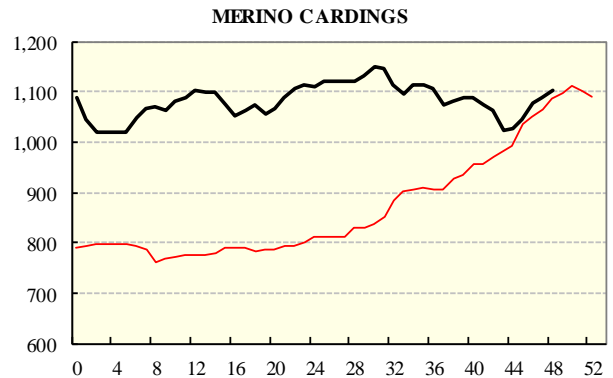
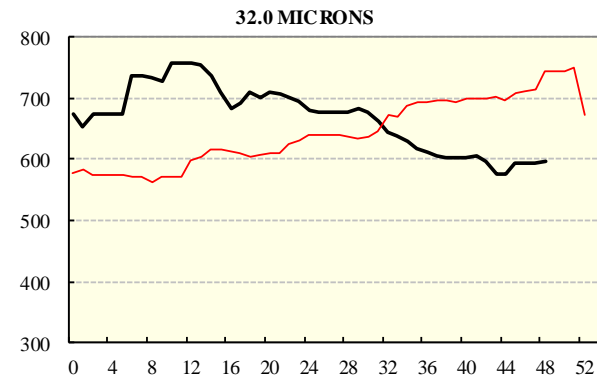
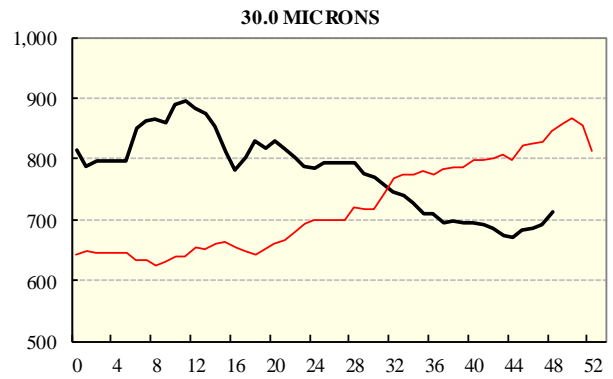
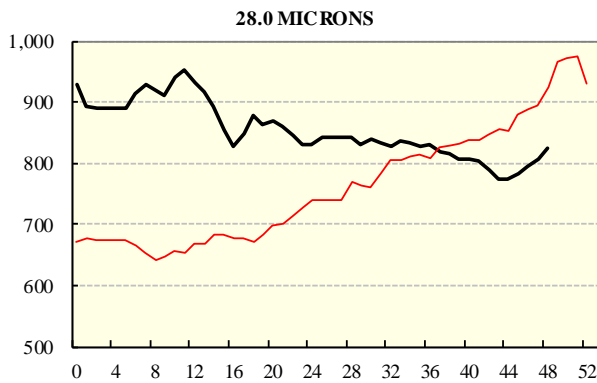
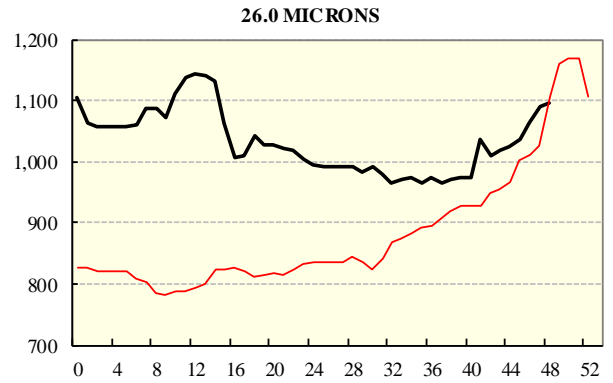
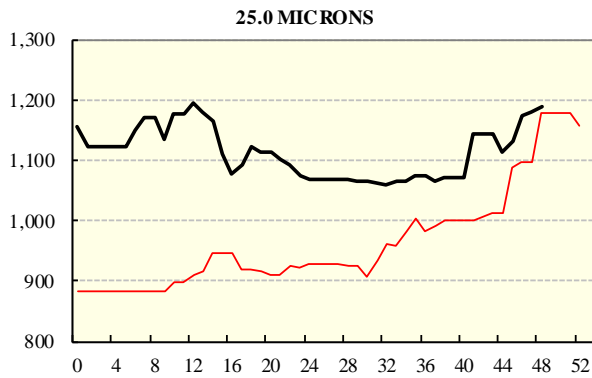
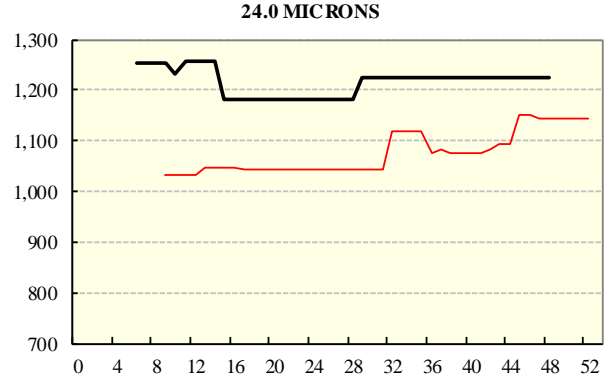
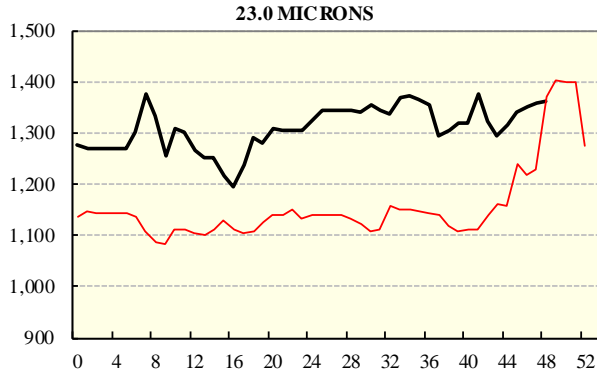
REGION BALES		
This Sale:		
North	11,405	
South	17,998	
West	0	
Progressive Totals:		Diff
North	468,120	-9.0%
South	845,702	-10.4%
West	345,673	-5.9%

AVERAGE AWEX MICRON PRICE GUIDES

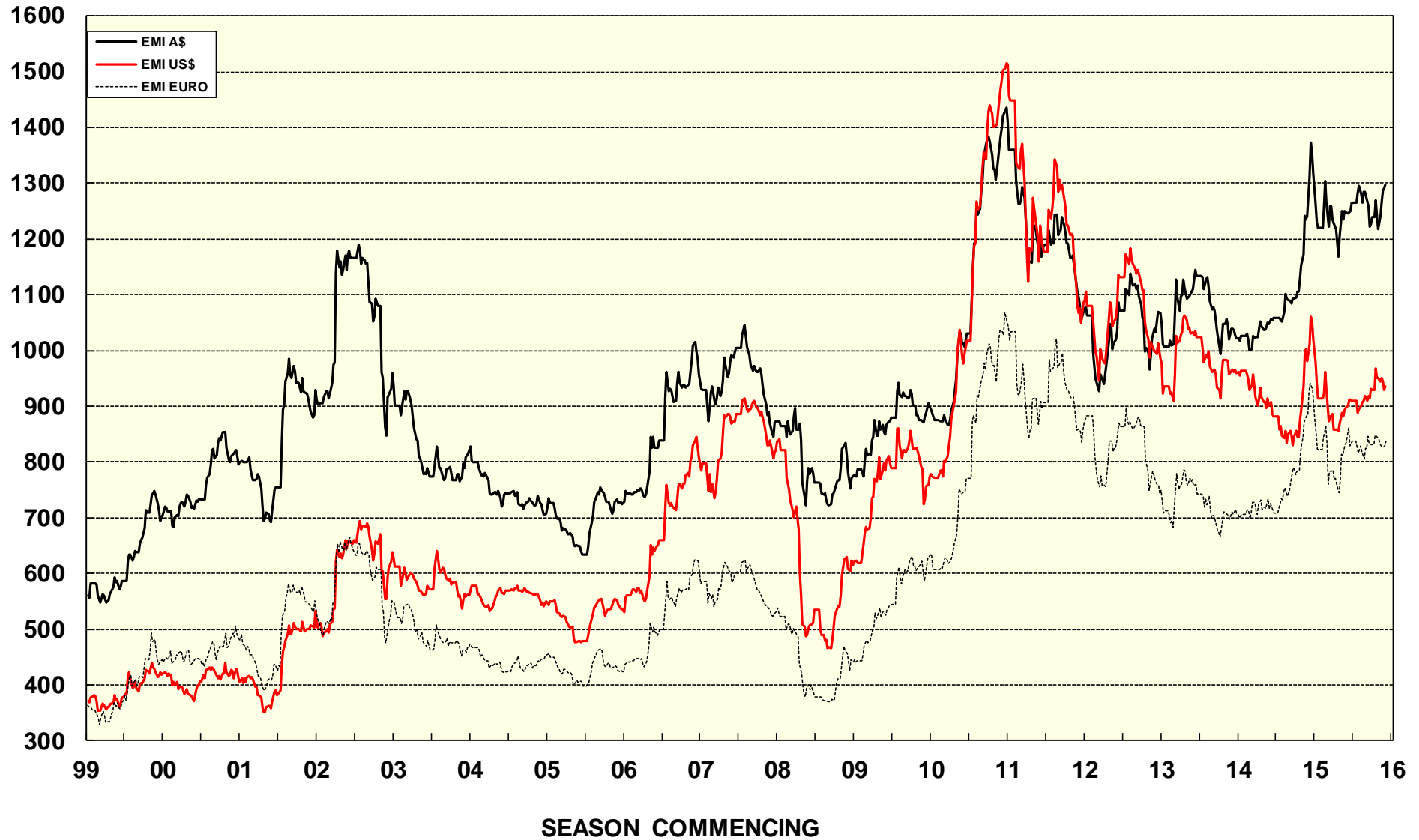
2015/16 (black graph line) and 2014/15 (red graph line)



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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For further information

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