

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW

Week Ending 29 April 2016 (Week 44)

The AWEX EMI finished 24¢ higher (+2.0%) in Australian currency and 6¢ lower (-0.6%) in US currency at sales in Sydney, Melbourne and Fremantle this week.

34,397 bales were on offer nationally, compared with 42,082 bales last sale. 5.6% of the offering was passed in.

Centre	Last Sale		Day-to-Day Changes (Week 44)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	43	1217	No Sale	+14	+10	24 (2.0%)	1241	-6	-7
Northern	43	1239	No Sale	+12	+11	23 (1.9%)	1262	-7	-9
Southern	43	1202	No Sale	+16	+10	26 (2.2%)	1228	-4	-6
Western	43	1278	No Sale	+24	+23	47 (3.7%)	1325	+11	+6

It was a smaller sale than last week's 42,000 bales. It was also another week in which prices were influenced by large movements in the US Exchange Rate. The EMI recovered all that it lost last week, as the US Exchange Rate moved down by 2.5%, compared with the 2.0% increase of the previous week.

The market was led by strong and widespread demand, particularly for Merino fleece types. Skirting types were also well supported. The greatest gains in the average AWEX MPGs were from 17.5 to 22 microns. Merino skirtings were also in good demand. Crossbreds were generally unchanged at the close of selling, while oddments tended to finish fully firm. The average AWEX Merino Cardings Price Guide was marginally up (+3¢), after falls of 63¢ over the previous three sales.

The US exchange rate finished 1.97¢ (-2.5%) lower to close at 76.15¢ on Thursday. Financial analysts mostly attributed the fall to the news of a 0.2% fall in the Australian Consumer Price Index in the first three months of the year; and to the consequent increase in the expectation that the Reserve Bank will lower the Official Cash Rate when it meets on Tuesday.

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

Offerings were the next three sales are currently expected to be down by 14.9%. This needs to be seen in the context of the sharp increase in the market at this time last year; and growers offering wool held in store onto the market at that time.

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	130¢	147¢	171¢	188¢	200¢
South	109¢	152¢	178¢	189¢	182¢

Market Indicator	Changes From			
	Four Sales Ago Week 39	Start of the Season	Week 44 Last Year	Season Average to Week 44 Last Year
Eastern Market Indicator	+2 (+0.2%)	+15 (+1.2%)	+69 (+5.9%)	+187 (+17.6%)
Western Market Indicator	+16 (+1.2%)	+72 (+5.7%)	+115 (+9.5%)	+199 (+18.1%)

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 ¢		+32	+42	+49	+42	+46	+45	+43	+43	+41	+24	
Change %		+2.1%	+2.9%	+3.4%	+3.0%	+3.3%	+3.3%	+3.2%	+3.3%	+3.2%	+1.9%	
Since Start of the Season												
Change ¢		+6	+38	+43	+57	+75	+91	+87	+77	+58	+56	+47
Change %		+0.4%	+2.6%	+2.9%	+4.0%	+5.5%	+6.8%	+6.6%	+5.9%	+4.5%	+4.4%	+3.7%
Since Same Week Last Year												
Change ¢		+94	+125	+126	+113	+115	+117	+119	+122	+111	+138	+158
Change %		+6.6%	+8.9%	+9.1%	+8.2%	+8.6%	+8.9%	+9.2%	+9.6%	+8.9%	+11.5%	+13.6%

Micron	25.0	26.0	28.0	30.0	32.0	MC [#]
Since Last Sale						
Change ¢		+5	-2	-2	0	+3
Change %		+0.5%	-0.3%	-0.3%	0.0%	+0.3%
Since Start of the Season						
Change ¢		-10	-36	-119	-120	-88
Change %		-0.9%	-3.4%	-13.3%	-15.2%	-13.3%
Since Same Week Last Year						
Change ¢		+59	-80	-127	-120	+33
Change %		+6.1%	-9.4%	-15.9%	-17.2%	+3.3%

Average Merino Cardings Price Guide

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Week Ending 29 April 2016 (Week 44)

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 February ABS export data.

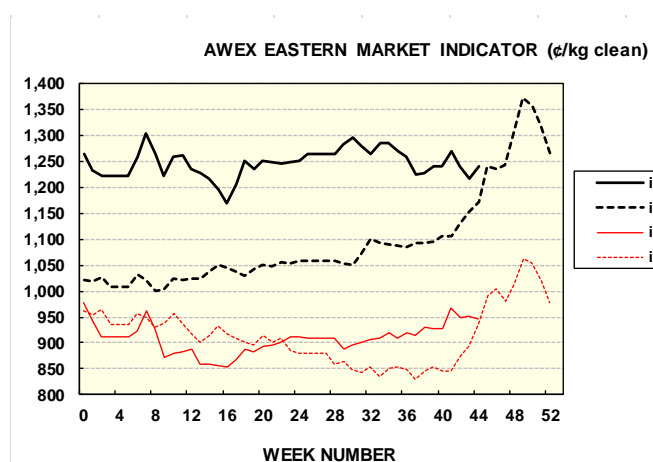
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re- Offered	Bales Sold
North	10,947	8,965	4.7%	4.6%	4.7%	8,541
South	22,813	18,382	5.3%	5.9%	8.0%	17,403
West	8,322	7,050	7.5%	3.9%	11.4%	6,524
Australia	42,082	34,397	5.6%	5.2%	7.8%	32,468

Actual and % Changes in the Progressive Offerings from Last Year	
-40,827	-8.8%
-88,710	-10.3%
-12,634	-3.8%
-142,171	-8.6%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 45	Week 46	Week 47	Differences
North	10,690	9,550	10,100	-17.2%
South	21,591	19,340	21,000	-6.3%
West	6,170	6,450	6,500	-31.9%
New Zealand				
Australia	38,451	35,340	37,600	-14.9%
Differences	-12.6%	-19.1%	-12.9%	

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	78.12	-0.50	Public	-0.52	-0.82	-0.13	-1.97 (-2.5%)	76.15	69.05	78.12
Euro	69.14	-0.43	Holiday	-0.27	-0.92	-0.34	-1.96 (-2.8%)	67.18	62.2	69.14

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change in Weight of Wool Exports July - February
	February 2016	July - February This Season	July - February Last Season	
China	76.5%	73.9%	74.9%	-9.6%
India	8.0%	7.8%	6.5%	+11.1%
Italy	3.4%	5.2%	4.8%	-0.4%
Czech Republic	5.4%	5.4%	5.0%	-2.1%
Malaysia	1.8%	1.6%	2.0%	-23.4%
Korea	1.6%	1.7%	2.2%	-29.8%
Taiwan	0.6%	0.8%	1.0%	-18.0%
Egypt	0.6%	1.1%	1.0%	+2.0%
Change all Countries				-8.4%



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

SEASON AVERAGES		
Region	This Year	Diff
North	1,271	147
South	1,230	144
West	1,297	169

THIS YEAR'S EMI	
This Week	1241
First Week	1231
Low (14/03/0)	1,169
High (27/07/0)	1304

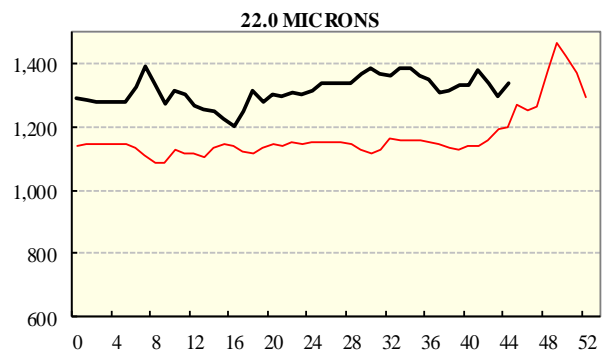
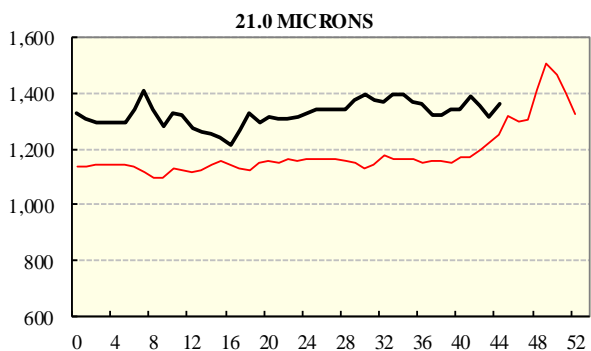
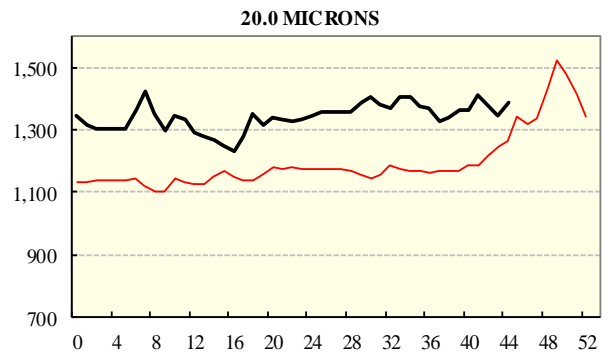
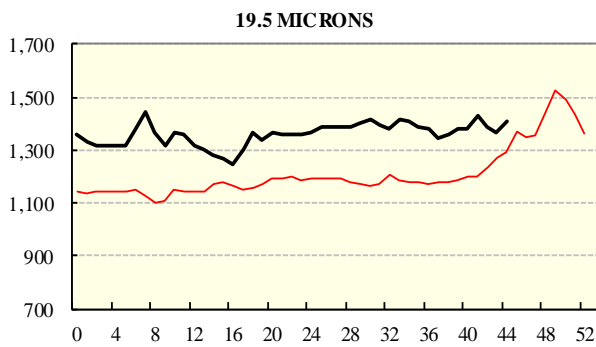
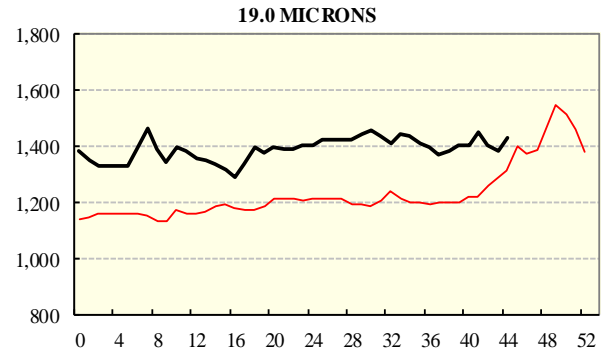
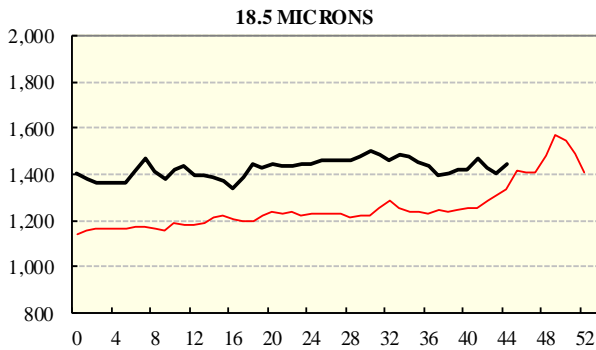
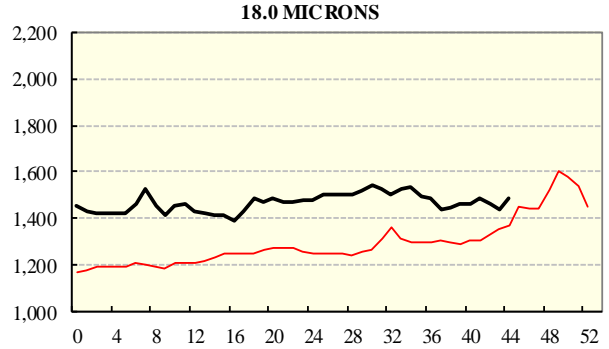
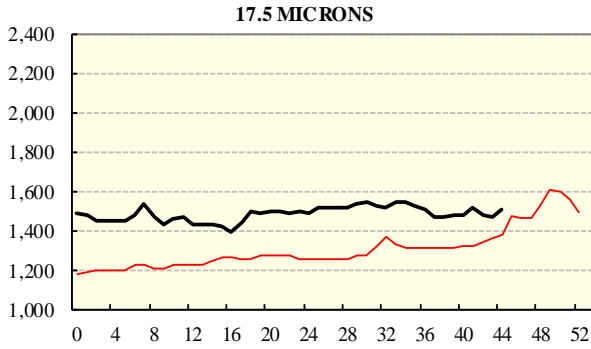
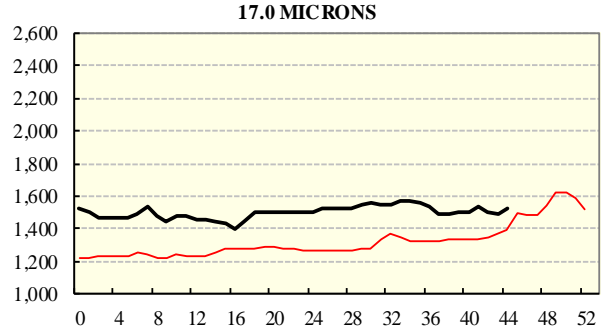
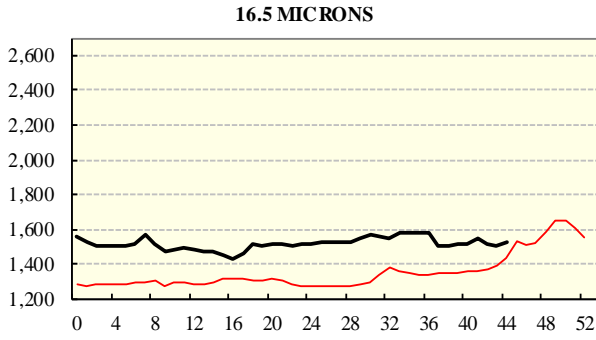
COMPARED WITH WEEK 1		
Region	This Week	Diff
North	1262	12
South	1228	9
West (Wk)	1325	74

BALES OFFERED	
This Year	1,514,794
Last Year	1,656,965
Difference	-142,171
% Diff	-8.6%
FIRST OFFERED BALES	
Difference	-7.2%
% of Offering	94.8%

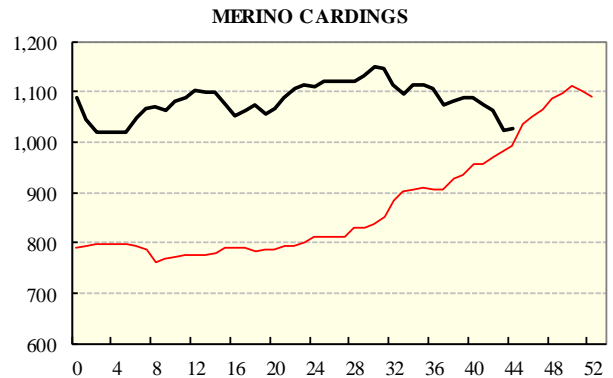
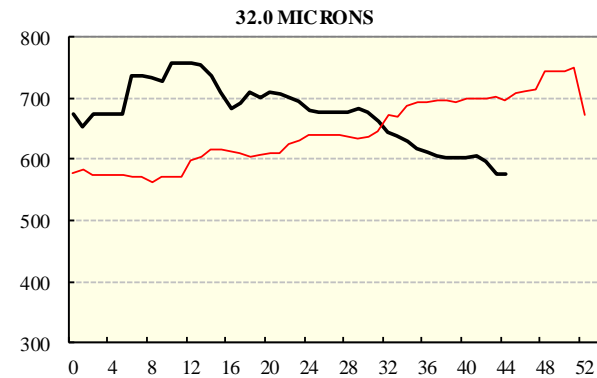
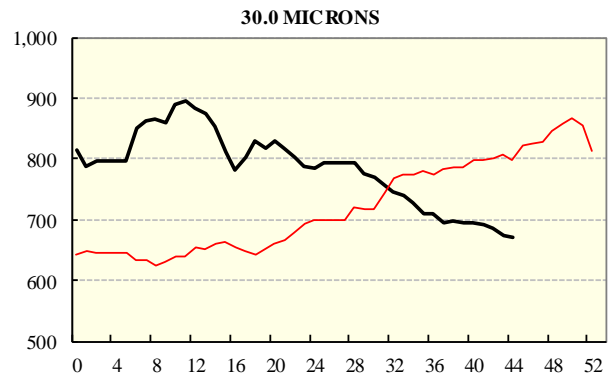
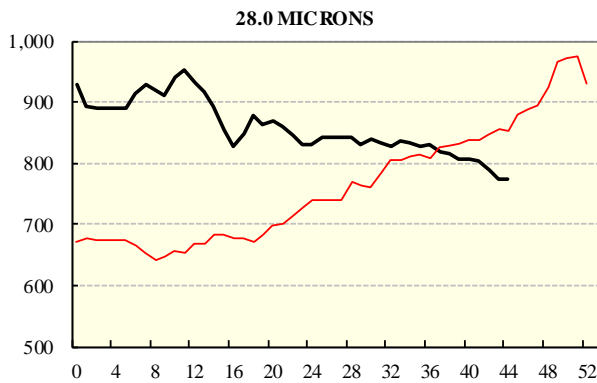
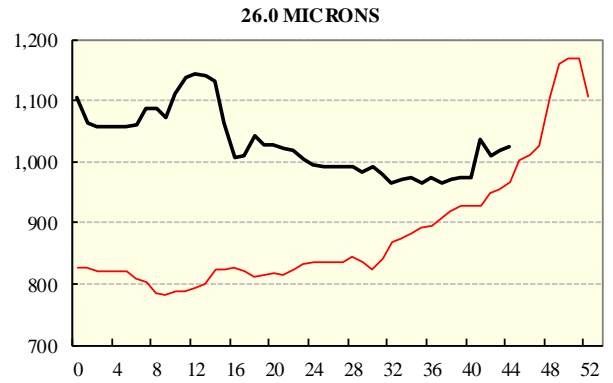
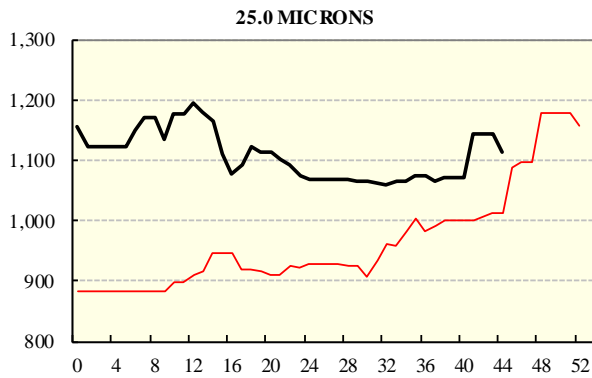
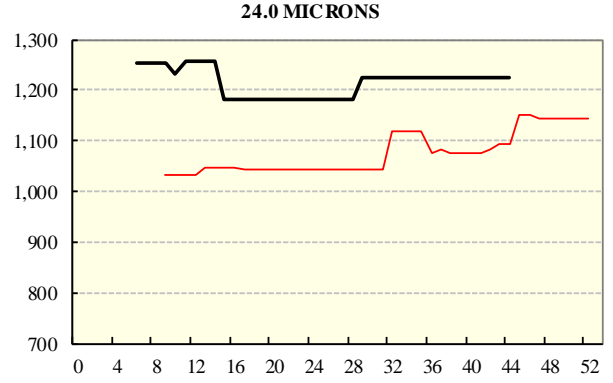
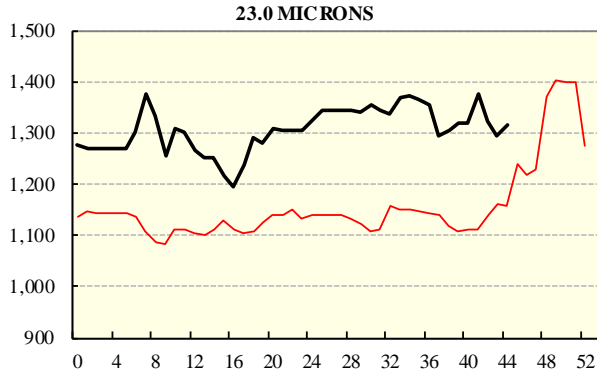
REGION BALES		
This Sale:		
North	64	
South	8,965	
West	18,382	
Progressive Totals:		
North	425,703	-8.8%
South	768,467	-10.3%
West	320,624	-3.8%

AVERAGE AWEX MICRON PRICE GUIDES

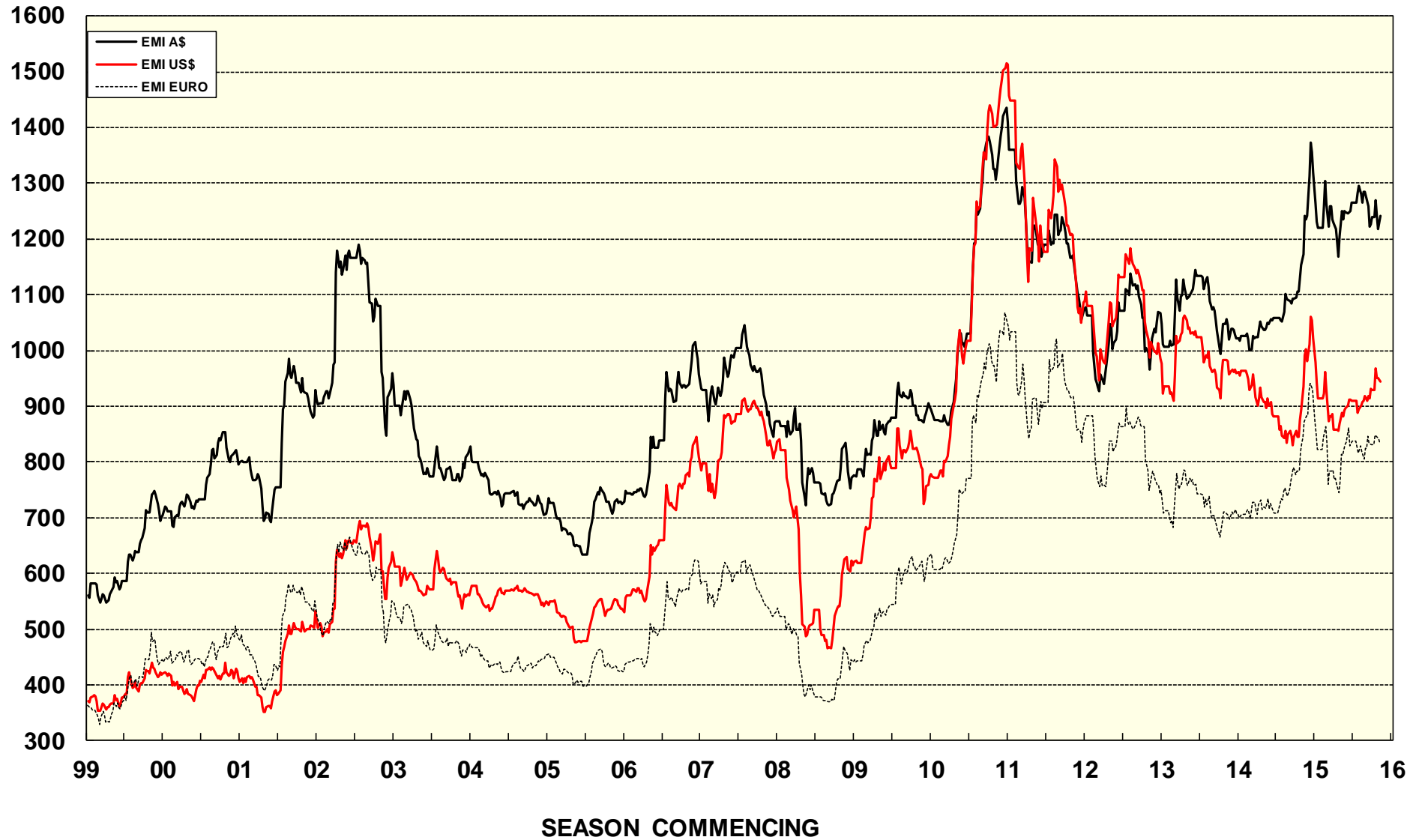
2015/16(black graph line) and 2014/15 (red graph line)



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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