

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW

Week Ending 29 January 2016 (Week 31)

The AWEX EMI finished at 1280¢, 16¢ lower (-1.2%) in Australian currency and 7¢ higher (+0.8%) in US currency at sales in Sydney, Melbourne and Fremantle this week.

45,434 bales were on offer nationally, compared with 59,775 bales last sale. 13.5% of the offering was passed in.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 31)									
Centre	Last Sale		Day-to-Day Changes (Week 31)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	30	1296	No Sale	-5	-11	-16 (-1.2%)	1280	+7	+7
Northern	30	1326	No Sale	-5	-9	-14 (-1.1%)	1312	+8	+8
Southern	30	1277	No Sale	-6	-12	-18 (-1.4%)	1259	+5	+5
Western	30	1372	No Sale	-13	-8	-21 (-1.5%)	1351	+5	+5

It was a good market in US terms that took the EMI to back over 900 (902¢) in US cents. However, prices in Australian currency eased because of the rise in the US exchange rate.

The market got away to a good start on Wednesday with good support for the better type wools. Thursday saw an easier market, in which they better types remained in demand, and the poorer types lost ground again. Overall, all average AWEX Merino MPGs were down, with the falls greatest falls from 19.5 to 22 microns. Merino skirtings followed the fleece types. Crossbreds were also down by around by similar amounts, on average, to the Merinos; with the falls being greatest among the coarser wools. Oddments were generally easier.

The US exchange rate moved up, but not to the level that it was at prior to the global economic concerns in early January. It finished 1.41¢ (2.0%) higher to close at 70.46¢ on Thursday.

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

Looking ahead, the expected offerings average around 45,000 bales over the coming three sales.

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	139¢	165¢	176¢	184¢	199¢
South	130¢	156¢	163¢	181¢	190¢

Market Indicator	Changes From			
	Four Sales Ago Week 24	Start of the Season	Week 31 Last Year	Season Average to Week 31 Last Year
Eastern Market Indicator	+29 (+2.3%)	+54 (+4.4%)	+210 (+19.6%)	+208 (+20.1%)
Western Market Indicator	+52 (+4.0%)	+98 (+7.8%)	+262 (+24.1%)	+208 (+19.3%)

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 ¢	-15	-16	-18	-17	-14	-19	-23	-26	-23	-20	-9	
Change %	-1.0%	-1.0%	-1.2%	-1.1%	-0.9%	-1.3%	-1.6%	-1.8%	-1.6%	-1.4%	-0.7%	
Since Start of the Season												
Change ¢	+39	+61	+67	+97	+113	+96	+72	+70	+73	+84	+74	
Change %	+2.6%	+4.1%	+4.6%	+6.8%	+8.2%	+7.2%	+5.4%	+5.3%	+5.6%	+6.6%	+5.8%	
Since Same Week Last Year												
Change ¢	+216	+215	+212	+214	+231	+229	+224	+222	+232	+238	+232	
Change %	+16.1%	+16.2%	+16.0%	+16.3%	+18.4%	+19.0%	+19.1%	+19.2%	+20.3%	+21.1%	+20.9%	

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	-11	-8	-12	-13	-5
Change %	-0.2%	-1.1%	-1.0%	-1.6%	-1.9%	-0.4%
Since Start of the Season						
Change ¢	-60	-80	-60	-34	-1	+114
Change %	-5.3%	-7.5%	-6.7%	-4.3%	-0.2%	+11.0%
Since Same Week Last Year						
Change ¢	+130	+140	+47	+14	+16	+293
Change %	+13.9%	+16.7%	+6.0%	+1.9%	+2.5%	+34.3%

Average Merino Cardings Price Guide

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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.

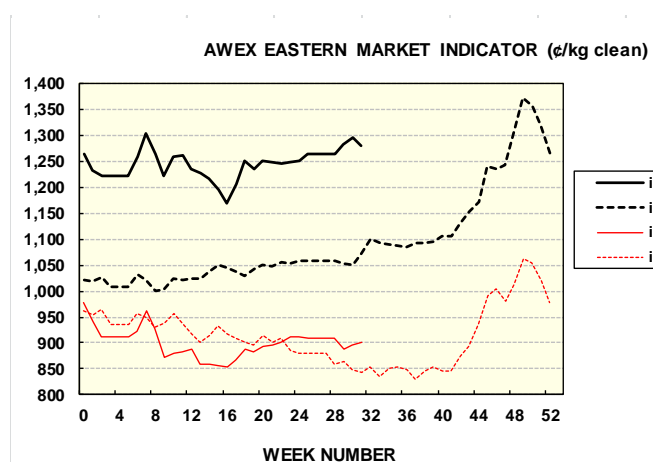
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re-Offered	Bales Sold
North	16,727	11,466	10.0%	1.3%	4.5%	10,325
South	29,270	24,601	13.7%	2.0%	5.7%	21,238
West	13,778	9,367	17.2%	1.0%	7.0%	7,757
Australia	59,775	45,434	13.5%	1.6%	5.7%	39,320

Actual and % Changes in the Progressive Offerings from Last Year	
-22,501	-7.2%
-55,711	-9.7%
-7,244	-3.4%
-85,456	-7.8%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 32	Week 33	Week 34	Differences
North	14,350	10,300	10,600	-15.8%
South	23,875	27,350	24,600	+2.2%
West	8,662	8,930	9,000	-14.1%
New Zealand			<i>1,500</i>	
Australia	46,887	46,580	44,200	-6.4%
Differences	+3.3%	-10.5%	-10.9%	

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	69.05	+1.01	+0.19	Public	-0.04	+0.25	+1.41 (+2.0%)	70.46	69.05	76.49
Euro	63.4	+1.26	+0.32	Holiday	-0.33	+0.09	+1.34 (+2.1%)	64.74	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	1245
Last Year	1102
2013/14	1070
2012/13	1035
2011/12	1198

SEASON AVERAGES		
Region	This Year	Diff
North	1,270	146
South	1,228	141
West	1,287	158

THIS YEAR'S EMI	
This Week	1280
First Week	1231
Low (14/03/0)	1,169
High (27/07/0)	1304

COMPARED WITH WEEK 1		
Region	This Week	Diff
North	1312	62
South	1259	40
West (Wk)	1351	100

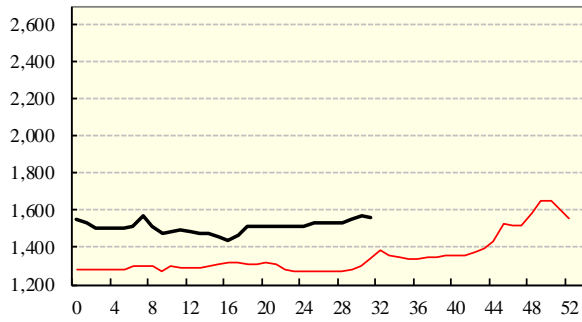
BALES OFFERED	
This Year	1,014,551
Last Year	1,100,007
Difference	-85,456
% Diff	-7.8%
FIRST OFFERED BALES	
Difference	-6.0%
% of Offering	95.1%

REGION BALES		
This Sale:		
North	61	
South	11,466	
West	24,601	
Progressive Totals:		
North	290,850	-7.2%
South	517,977	-9.7%
West	205,724	-3.4%

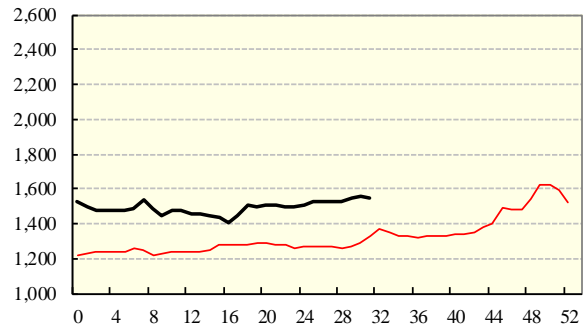
AVERAGE AWEX MICRON PRICE GUIDES

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

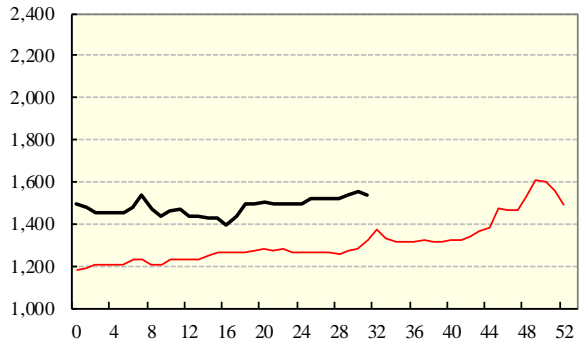
16.5 MICRONS



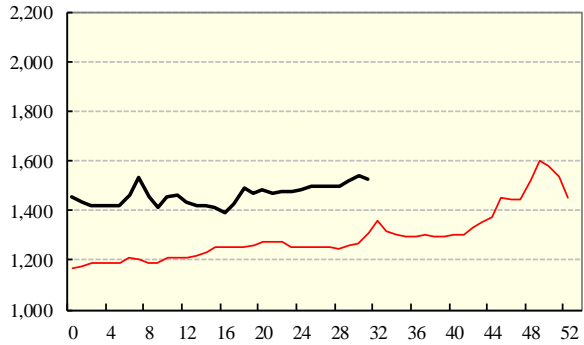
17.0 MICRONS



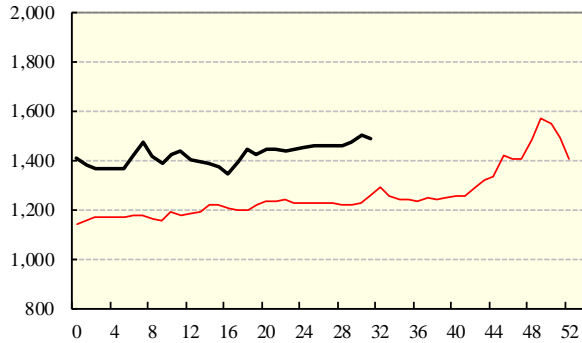
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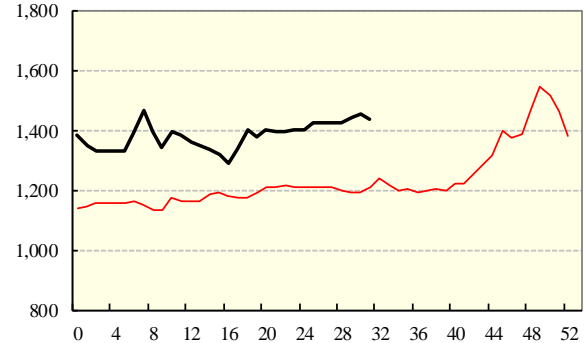
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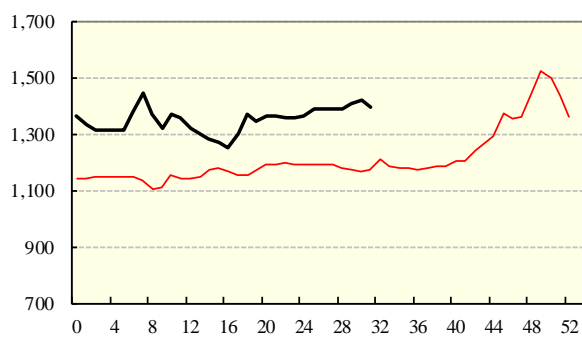
18.5 MICRONS



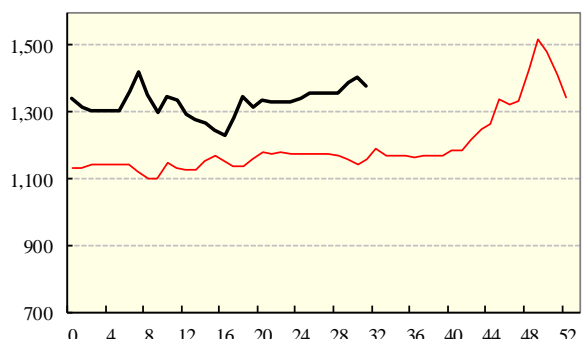
19.0 MICRONS



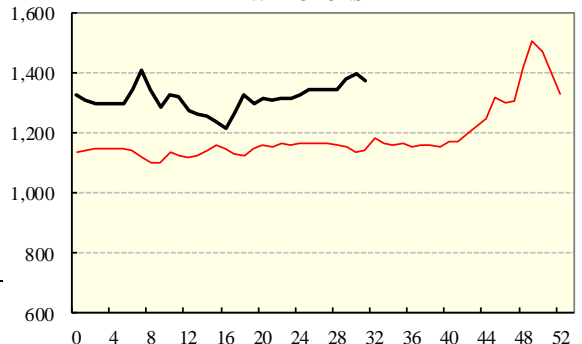
19.5 MICRONS



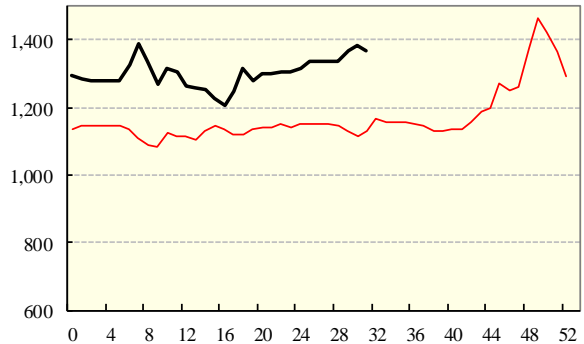
20.0 MICRONS



21.0 MICRONS

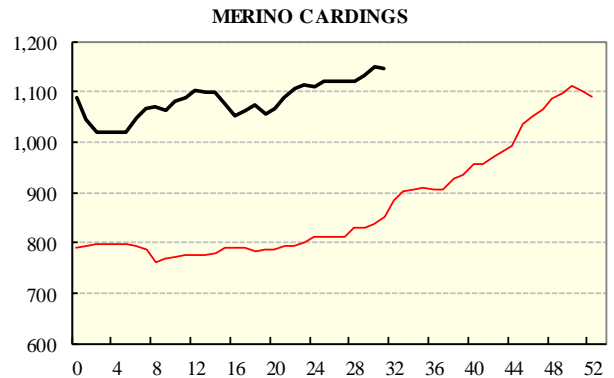
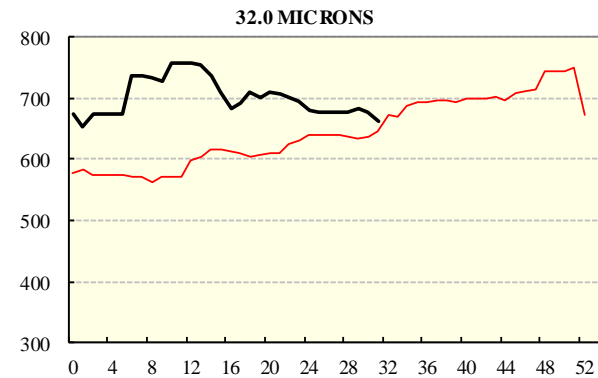
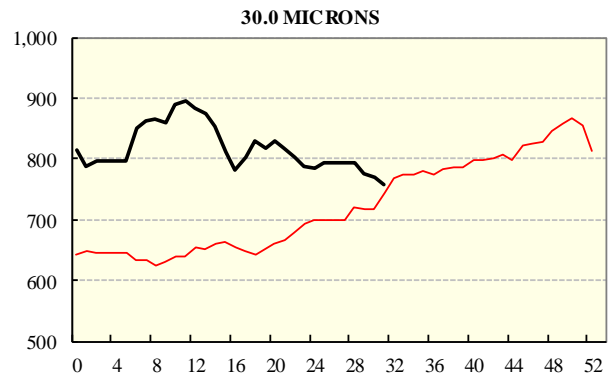
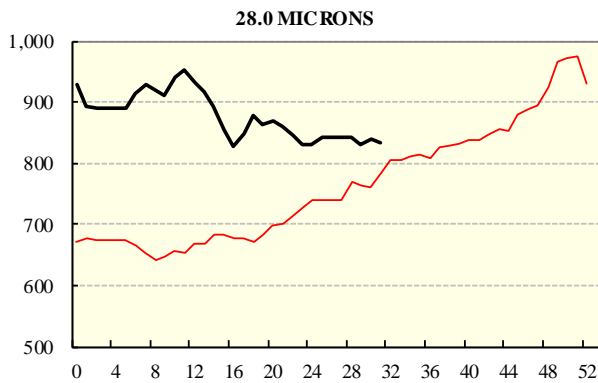
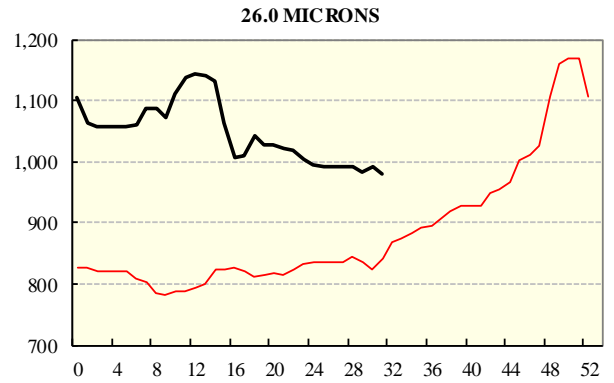
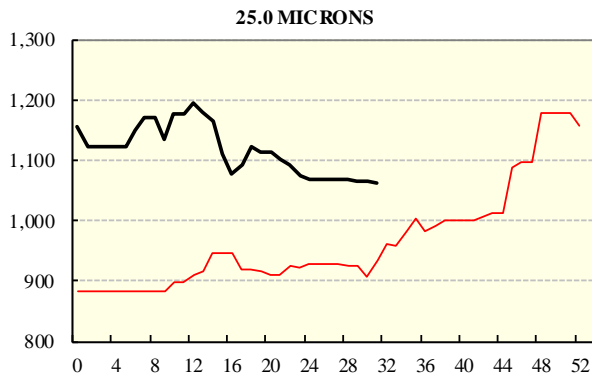
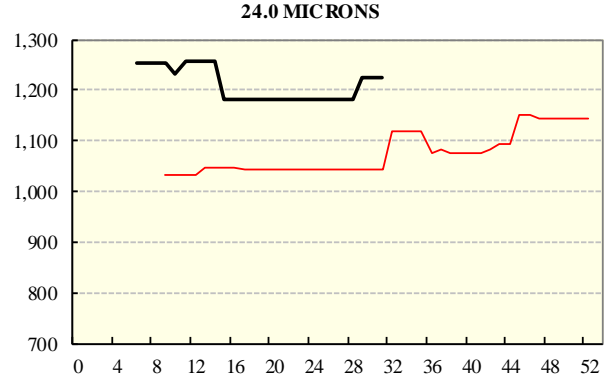
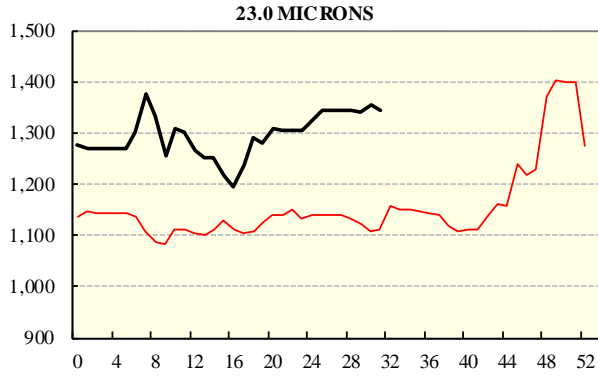


22.0 MICRONS



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)

