

# AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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## AWIS WOOL MARKET REVIEW

Week Ending 4 March 2016 (Week 36)

The AWEX EMI finished at 1258¢, 10¢ lower (-0.8%) in Australian currency and 9¢ higher (+1.0%) in US currency at sales in Sydney, Melbourne and Fremantle this week.

39,850 bales were on offer nationally, compared with 46,943 bales last sale. 7.4% of the offering was passed in.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 36)									
Centre	Last Sale		Day-to-Day Changes (Week 36)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	35	1268	No Sale	-5	-5	-10 (-0.8%)	1258	+9	+22
Northern	35	1269	No Sale	+21	-7	14 (1.1%)	1283	+27	+38
Southern	35	1249	No Sale	-4	-4	-8 (-0.6%)	1241	+11	+23
Western	35	1324	No Sale	-6	-3	-9 (-0.7%)	1315	+11	+24

The market outcomes were influenced by a further lift in the US exchange rate, that resulted in a rise in the EMI in US currency, but a fall in Australian currency. The US exchange rate has risen by 3.78¢ since sales resumed in January.

All AWEX Merino MPG's were down on Tuesday. The greatest falls were among the fine wools in the North which were coming off the previous week's Speciality Superfine sale. Most, but not all, Merino MPG's fell again on Thursday when the US exchange rate was up again. Crossbred prices were mixed on Wednesday, but down on Thursday.

Most Merino average AWEX MPG's were down by around 0.7% for the week, while the fine crossbreds were up slightly. Merino skirtings did well on Wednesday, but eased on Thursday. Similarly, oddments generally were firm on Wednesday and eased on Thursday.

The US exchange rate fell early in the week, but rose on Wednesday and Thursday after the release of better than expected Australian economic growth data. It finished 1.33¢ (1.9%) higher to close at 73.08¢ on Thursday.

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

Looking ahead, the auction offerings are expected to be up slightly over the next three sales.

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	103¢	137¢	162¢	191¢	No 16.5µ MPG
South	92¢	119¢	144¢	176¢	No 16.5µ MPG

Market Indicator	Changes From			
	Four Sales Ago Week 32	Start of the Season	Week 36 Last Year	Season Average to Week 36 Last Year
Eastern Market Indicator	-7 (-0.6%)	+32 (+2.6%)	+173 (+15.9%)	+203 (+19.4%)
Western Market Indicator	-13 (-1.0%)	+62 (+4.9%)	+206 (+18.6%)	+210 (+19.4%)

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
<b>Since Last Sale</b>												
Change ¢		-19	-20	-14	-10	-12	-7	-9	-8	-11	-10	
Change %		-1.2%	-1.3%	-0.9%	-0.7%	-0.9%	-0.5%	-0.7%	-0.6%	-0.8%	-0.7%	
<b>Since Start of the Season</b>												
Change ¢		+54	+42	+56	+66	+59	+57	+58	+61	+69	+84	
Change %		+3.6%	+2.9%	+3.9%	+4.8%	+4.4%	+4.3%	+4.4%	+4.7%	+5.4%	+6.6%	
<b>Since Same Week Last Year</b>												
Change ¢		+216	+196	+188	+208	+206	+208	+207	+209	+202	+211	
Change %		+16.3%	+14.9%	+14.5%	+16.9%	+17.3%	+17.7%	+17.8%	+18.1%	+17.6%	+18.5%	

Sale-to-Sale Changes in Other Average AWEX Price Guides						
Micron	25.0	26.0	28.0	30.0	32.0	MC <sup>#</sup>
<b>Since Last Sale</b>						
Change ¢	+2	+7	+3	0	-6	-7
Change %	+0.2%	+0.7%	+0.4%	0.0%	-1.0%	-0.6%
<b>Since Start of the Season</b>						
Change ¢	-48	-87	-62	-80	-53	+73
Change %	-4.3%	-8.2%	-7.0%	-10.1%	-8.0%	+7.1%
<b>Since Same Week Last Year</b>						
Change ¢	+93	+77	+21	-62	-83	+198
Change %	+9.5%	+8.6%	+2.6%	-8.0%	-12.0%	+21.8%

# Average Merino Cardings Price Guide

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## AWIS WOOL MARKET REVIEW Week Ending 4 March 2016 (Week 36)

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.

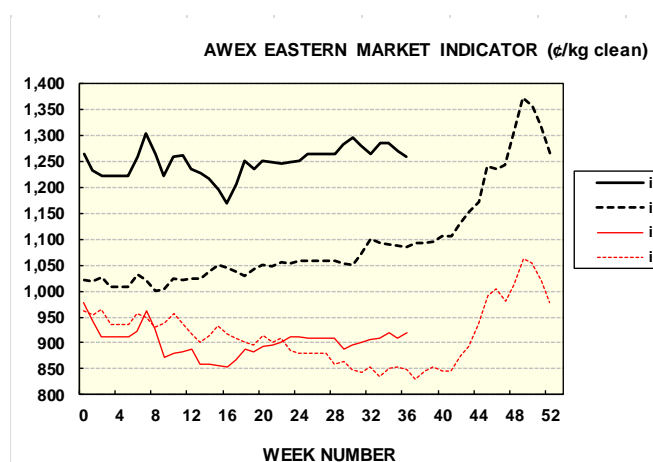
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re- Offered	Bales Sold
North	12,539	10,501	5.8%	0.5%	3.8%	9,892
South	23,008	20,224	8.2%	3.8%	4.6%	18,564
West	11,396	9,125	7.5%	1.5%	6.0%	8,444
<b>Australia</b>	<b>46,943</b>	<b>39,850</b>	<b>7.4%</b>	<b>2.4%</b>	<b>4.7%</b>	<b>36,900</b>

Actual and % Changes in the Progressive Offerings from Last Year	
-30,904	-8.1%
-71,283	-10.3%
-9,075	-3.5%
<b>-111,262</b>	<b>-8.3%</b>

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 37	Week 38	Week 39	Differences
North	9,001	10,780	10,700	<b>-9.3%</b>
South	23,769	22,600	23,600	<b>+9.2%</b>
West	10,228	9,750	9,400	<b>-2.6%</b>
<b>New Zealand</b>	<b>1,630</b>			
<b>Australia</b>	<b>42,998</b>	<b>43,130</b>	<b>43,700</b>	<b>+1.6%</b>
<b>Differences</b>	<b>+0.1%</b>	<b>-0.7%</b>	<b>+5.5%</b>	

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	71.75	+0.65	-1.00	-0.08	+0.99	+0.77	+1.33 (+1.9%)	73.08	69.05	76.49
Euro	65.04	+0.42	-0.16	+0.25	+1.05	+0.70	+2.26 (+3.5%)	67.3	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%
<b>Change all Countries</b>				<b>-8.6%</b>



AVERAGE EMI	
This Year	1249
Last Year	1102
2013/14	1070
2012/13	1035
2011/12	1198

SEASON AVERAGES		
Region	This Year	Diff
North	1,274	150
South	1,233	146
West	1,295	167

THIS YEAR'S EMI	
This Week	1258
First Week	1231
Low (14/03/0)	1,169
High (27/07/0)	1304

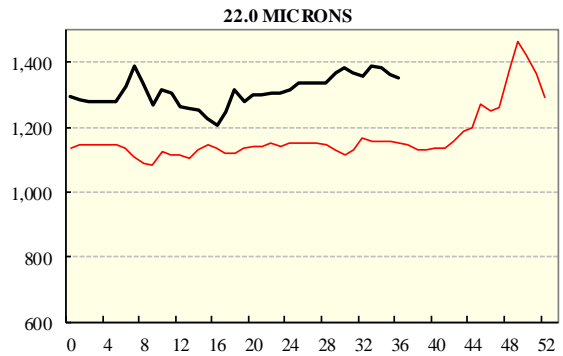
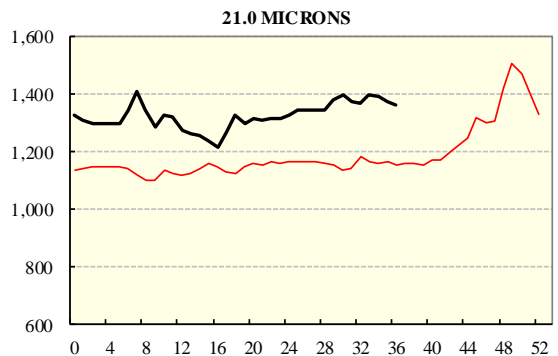
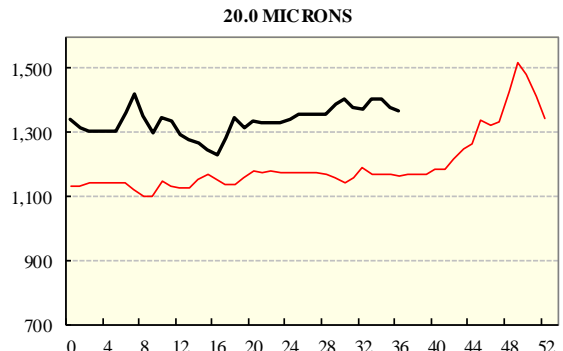
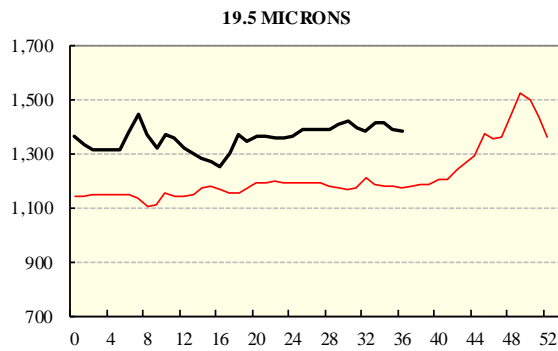
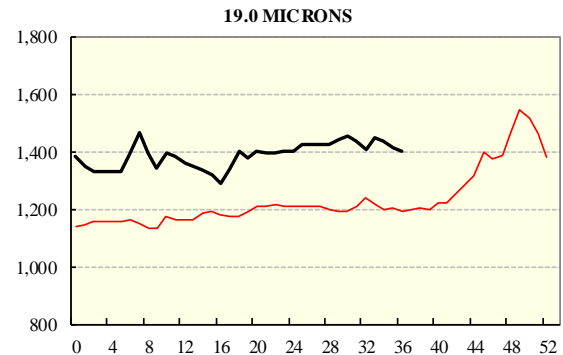
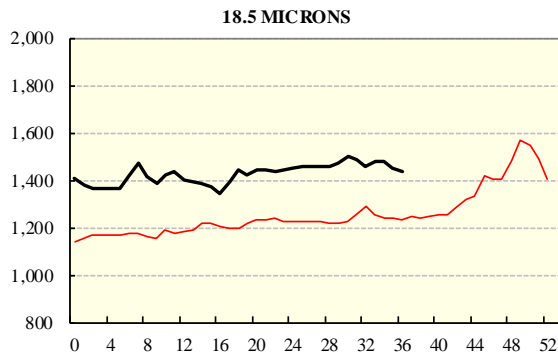
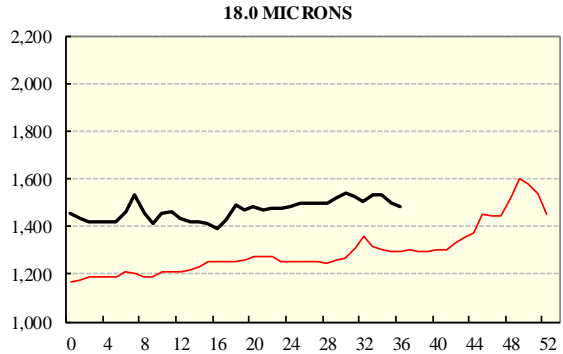
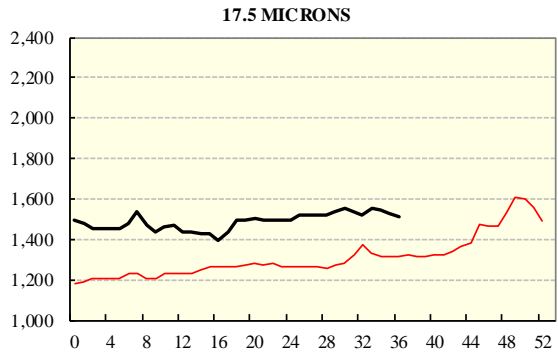
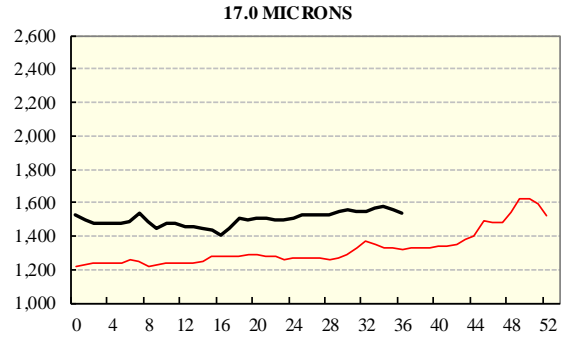
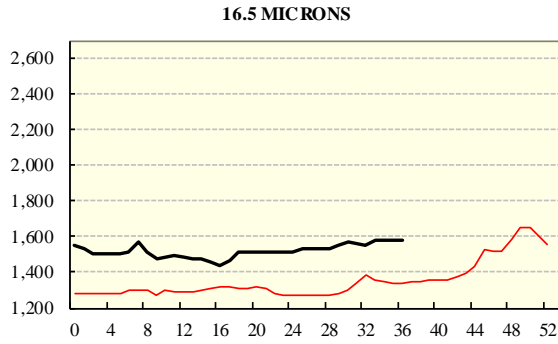
COMPARED WITH WEEK 1		
Region	This Week	Diff
North	1283	33
South	1241	22
West (Wk)	1315	64

BALES OFFERED	
This Year	1,224,962
Last Year	1,336,224
Difference	-111,262
% Diff	-8.3%
FIRST OFFERED BALES	
Difference	-6.7%
% of Offering	94.9%

REGION BALES		
This Sale:		Diff
North	63	
South	10,501	
West	20,224	
Progressive Totals:		Diff
North	348,958	-8.1%
South	622,617	-10.3%
West	253,387	-3.5%

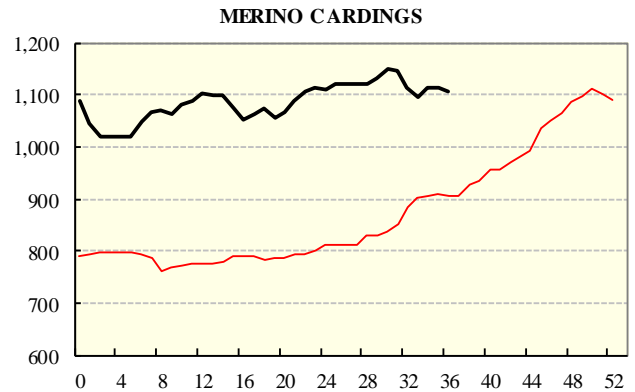
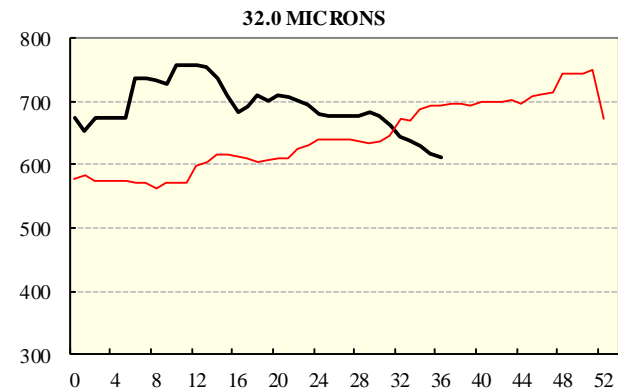
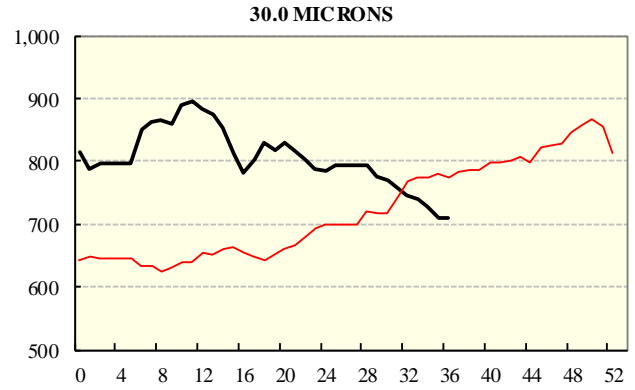
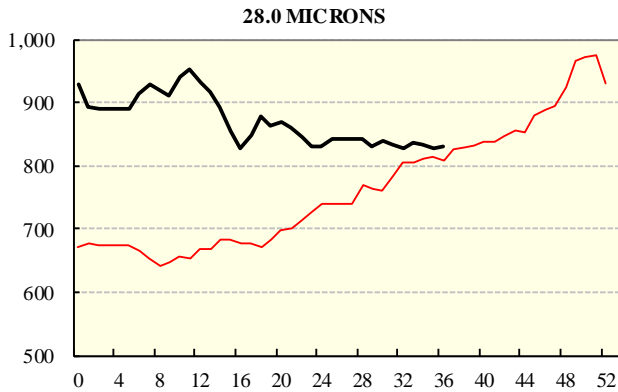
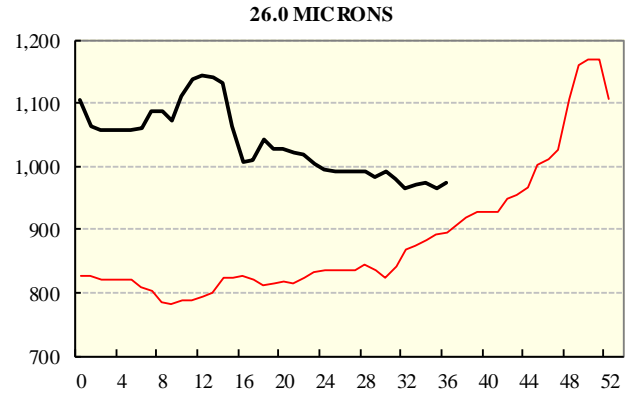
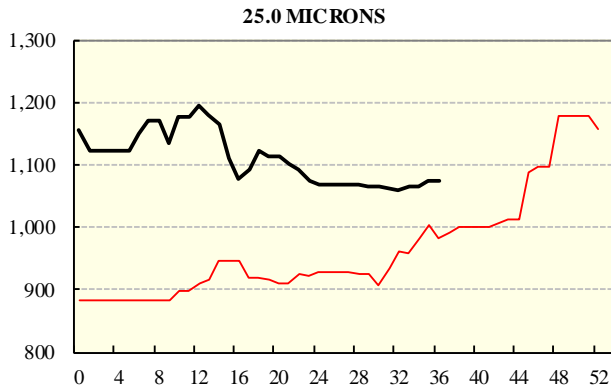
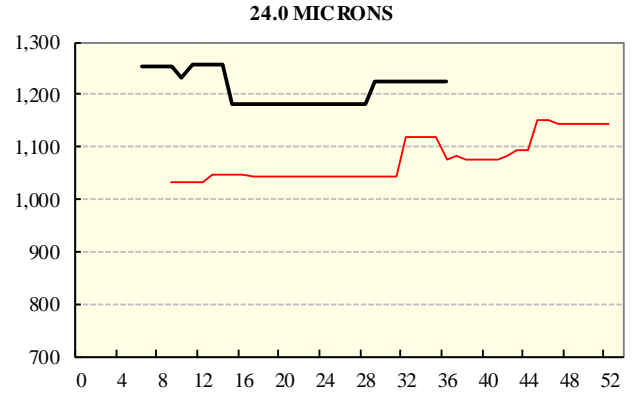
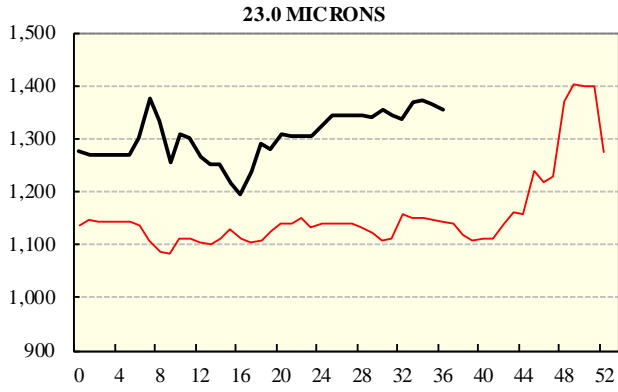
# AVERAGE AWEX MICRON PRICE GUIDES

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



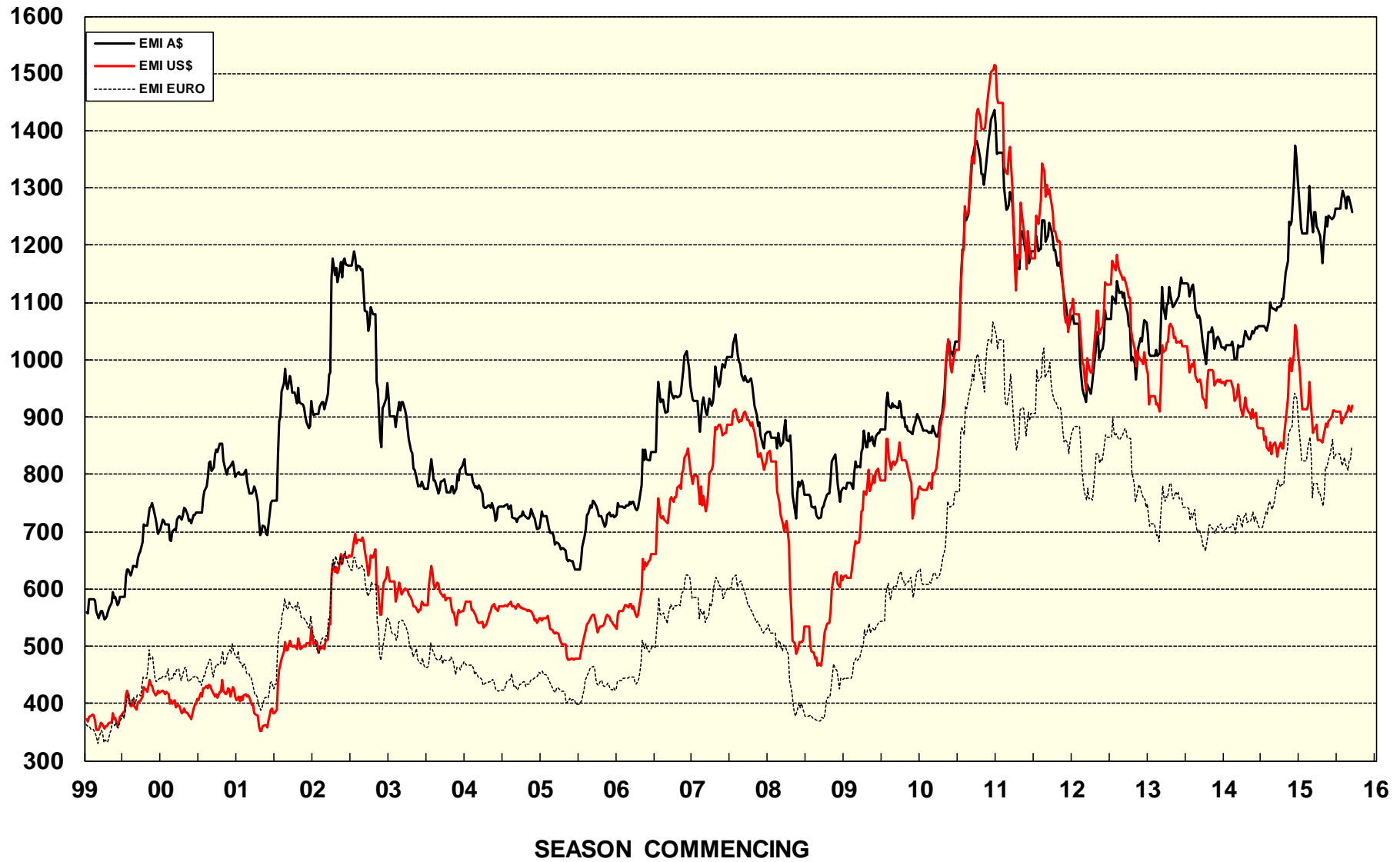
# AVERAGE AWEX MICRON PRICE GUIDES

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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