

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW

Week Ending 1 July 2016 (Week 53)

The AWEX EMI finished 12¢ higher (+0.9%) in Australian currency and 5¢ lower (-0.5%) in US currency at sales in Sydney, Melbourne and Fremantle in the last sale of the 2015/16 season.

28,865 bales were on offer nationally, compared with 22,108 bales last sale. 7.2% of the offering was passed in.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 53)									
Centre	Last Sale		Day-to-Day Changes (Week 53)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	52	1285	No Sale	+6	+6	+12 (+0.9%)	1297	-5	+16
Northern	52	1303	No Sale	+8	+6	+14 (+1.1%)	1317	-4	+17
Southern	52	1272	No Sale	+5	+6	+11 (+0.9%)	1283	-5	+15
Western	51	1362	No Sale	+19	+12	+31 (+2.3%)	1393	+8	+29

It was difficult to know what to expect this week, with the global economic uncertainty following the Brexit Referendum. Australian currency down by 1.4% against the US Dollar, but up by 0.9% against the Euro and by 9.0% against the Pound.

The wool market was very resilient, with good demand on both days and the EMI moving up in both currencies on Thursday. The closing EMI at 1297¢ was the equal second highest level for the season. There was some seller resistance in spite of the good level of the market, with a pass-in rate of 6.8% on Wednesday and 7.8% on Thursday.

The greatest overall gains in the Merino types were again at the medium and broader end, but started at 19.5 microns where the week-to-week gains averaged around 1.5%, compared with around 0.5 for the finer micron values. Merino skirtings were in solid demand on both days.

Crossbred types had another mixed week, with changes in their average AWEX MPGs ranging from -2.0% at 30 microns to +1.2% at 26 microns. Oddments generally finished up or firm for the week. The average AWEX Merino Cardings Price Guide was up by 4¢ (0.4%).

The US Exchange Rate fell by 1.48¢ to 73.87¢ on the previous Friday after the Brexit vote, before coming back to 74.26¢ on Thursday, down by 1.07¢ (-1.4%) for the week.

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

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	68¢	88¢	115¢	120¢	126¢
South	58¢	81¢	95¢	96¢	104¢

Market Indicator	Changes From			
	Four Sales Ago Week 49	Start of the Season	Week 53 Last Year	Season Average to Week 53 Last Year
Eastern Market Indicator	+1 (+0.1%)	+71 (+5.8%)	No Sale	No Sale
Western Market Indicator	+23 (+1.7%)	+140 (+11.2%)	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 ¢		+9	+13	+11	+6	+11	+18	+25	+25	+21		
Change %		+0.6%	+0.9%	+0.7%	+0.4%	+0.7%	+1.2%	+1.7%	+1.8%	+1.5%		
Since Start of the Season												
Change ¢	+26	+53	+69	+87	+118	+140	+146	+151	+144	+146		
Change %	+1.7%	+3.6%	+4.7%	+6.1%	+8.6%	+10.5%	+11.0%	+11.5%	+11.1%	+11.4%		
Since Same Week Last Year												
Change ¢	No Sale											
Change %	No Sale											

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 ¢		+13	-4	-14		+4
Change %		+1.2%	-0.5%	-2.0%		+0.4%
Since Start of the Season						
Change ¢	+70	+43	-115	-117		+52
Change %	+6.2%	+4.1%	-12.9%	-14.8%		+5.0%
Since Same Week Last Year						
Change ¢	No Sale					
Change %	No Sale					

Average Merino Cardings Price Guide

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AWIS WOOL MARKET REVIEW

Week Ending 1 July 2016 (Week 53)

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 April 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	9,939	9,618	5.6%	1.0%	4.4%	9,083
South	12,169	13,654	6.9%	2.5%	4.7%	12,713
West		5,593	11.0%	4.5%	9.8%	4,980
Australia	22,108	28,865	7.2%	2.4%	5.6%	26,776

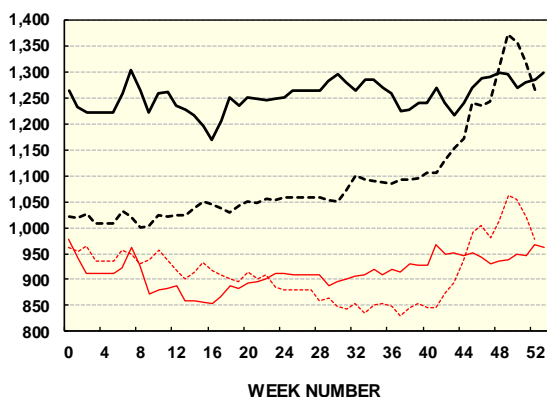
Actual and % Changes in the Progressive Offerings from Last Year	
-45,215	-8.0%
-88,330	-8.8%
-19,814	-5.1%
-153,359	-7.8%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 01	Week 02	Week 03	Differences
North	13,716	12,110	No Sale	-21.2%
South	15,824	18,205	No Sale	-8.6%
West	8,725	4,129	No Sale	-25.2%
New Zealand				
Australia	38,265	34,444		-16.6%
Differences	-19.2%	-13.6%		

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	75.33	-1.46	+0.22	-0.11	-0.11	+0.39	-1.07 (-1.4%)	74.26	69.05	78.12
Euro	66.39	+0.62	+0.10	-0.21	-0.09	+0.18	+0.60 (+0.9%)	66.99	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 to April
	April 2016	July to April This Season	July to April Last Season	
China	79.3%	75.0%	76.2%	-10.1%
India	6.7%	7.4%	6.0%	+7.6%
Italy	2.2%	4.8%	4.4%	-0.5%
Czech Republic	4.4%	5.2%	4.7%	-0.2%
Malaysia	1.0%	1.6%	1.9%	-26.0%
Korea	2.4%	1.8%	2.2%	-25.0%
Taiwan	0.9%	0.8%	0.8%	-15.2%
Egypt	1.3%	1.2%	0.9%	+24.5%
Change all Countries				-8.6%

AWEX EASTERN MARKET INDICATOR (¢/kg clean)



AVERAGE EMI	
This Year	1254
Last Year	1102
2013/14	1070
2012/13	1035
2011/12	1198

SEASON AVERAGES		
Region	This Year	Diff
North	1279	+155
South	1238	+151
West	1308	+180

THIS YEAR'S EMI	
This Week	1297
First Week	1231
Low (16/10)	1169
High (14/08)	1304

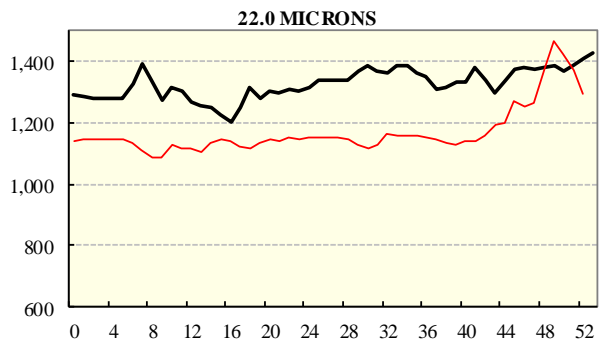
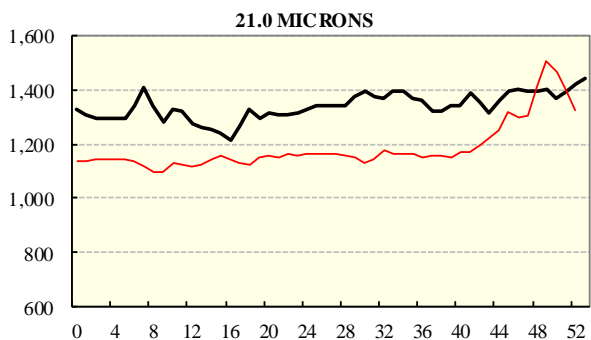
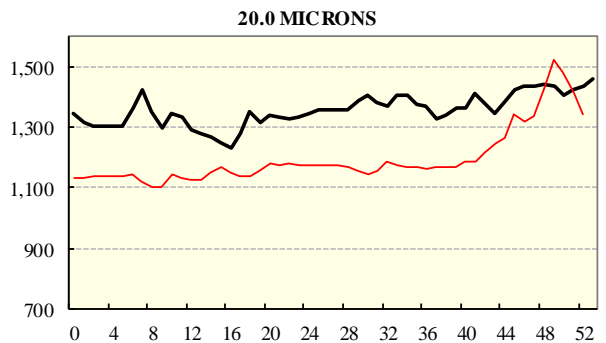
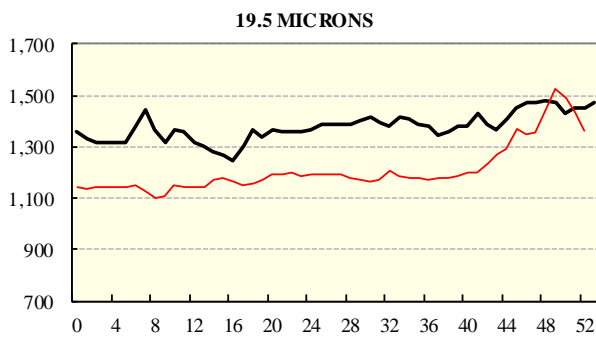
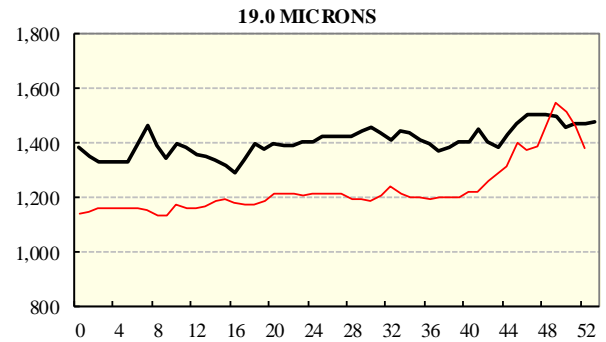
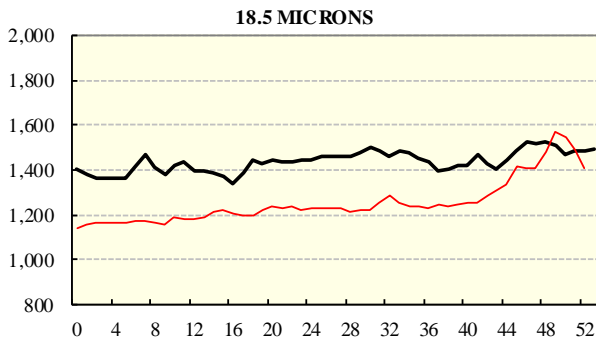
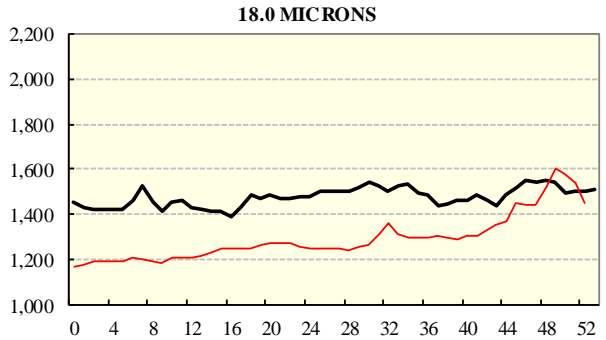
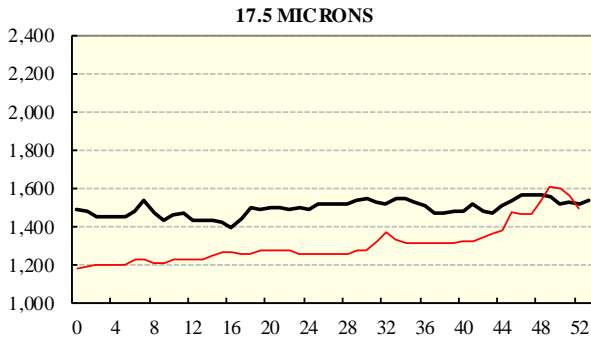
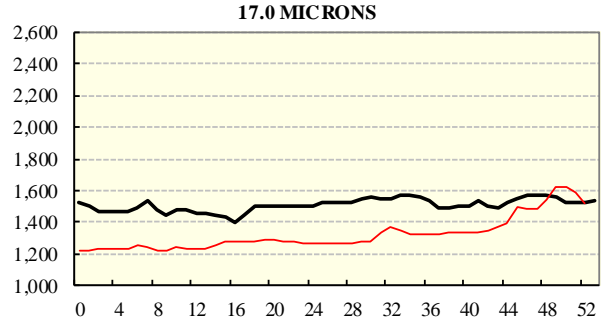
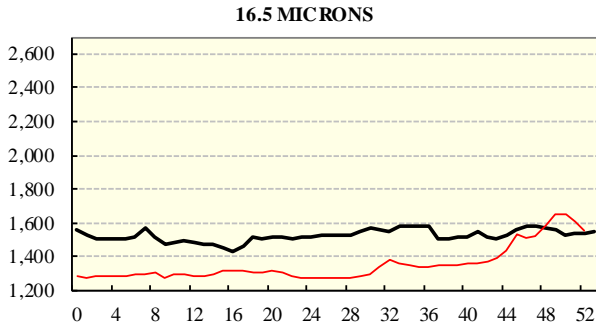
COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1317	+71
South	1283	+70
West	1393	+140

BALES OFFERED	
This Year	1,801,414
Last Year	1,954,773
Difference	-153,359
% Diff	-7.8%
FIRST OFFERED BALES	
Difference	-7.5%
% of Offering	94.4%

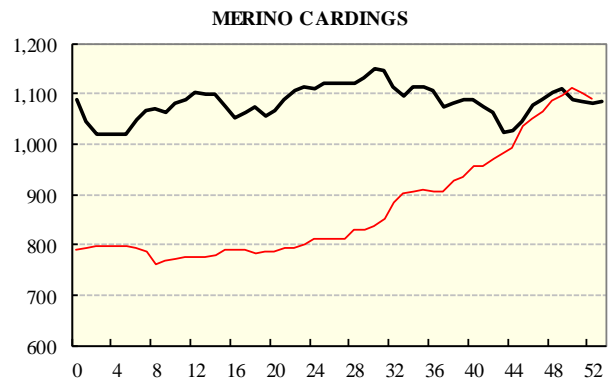
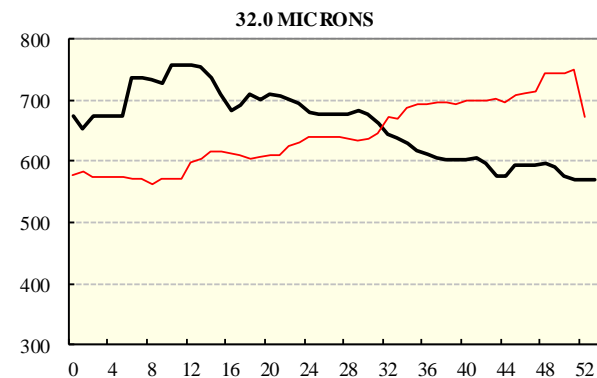
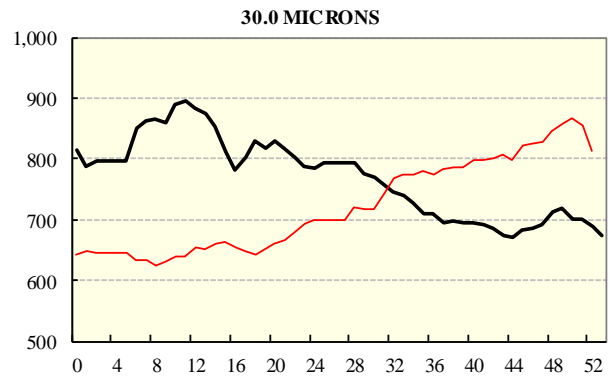
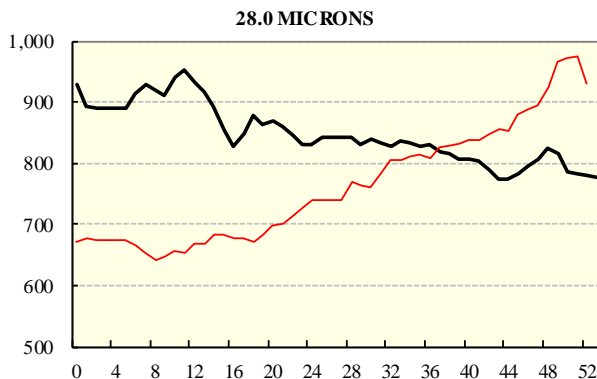
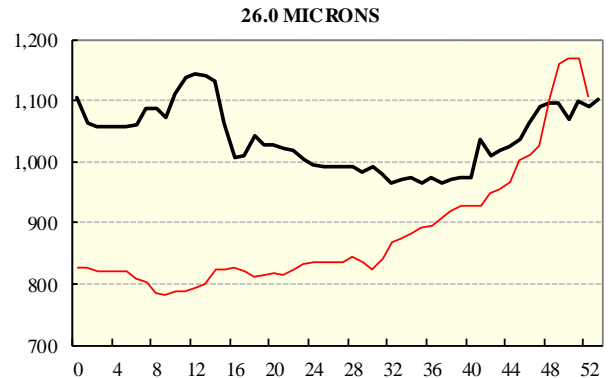
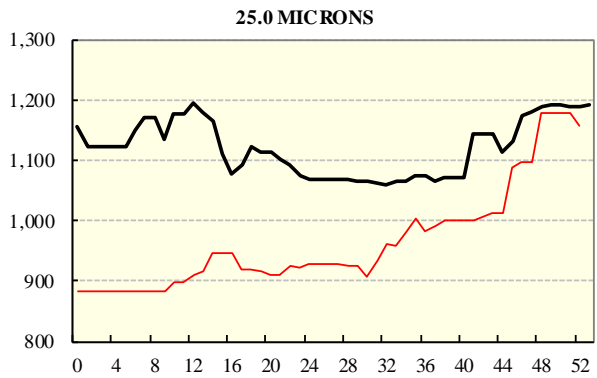
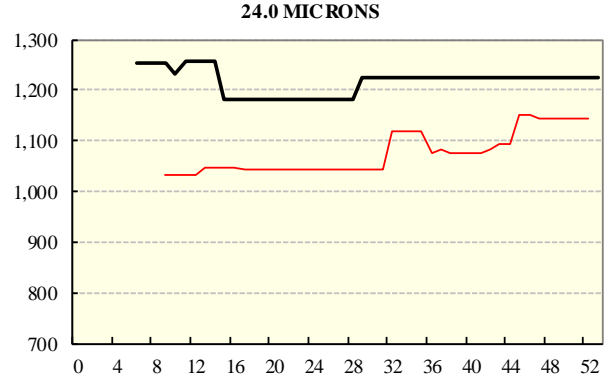
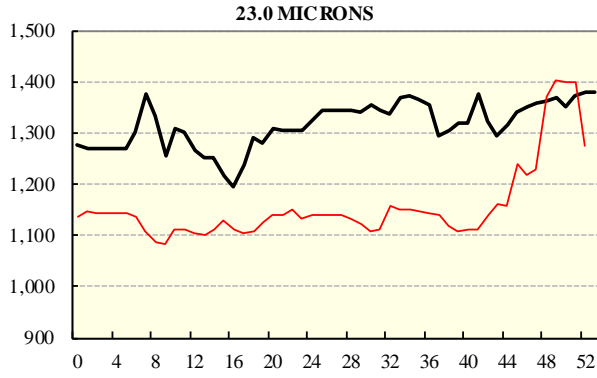
REGION BALES		
This Sale:		
North	9,618	
South	13,654	
West	5,593	
Progressive Totals:		
North	517,186	-8.0%
South	918,475	-8.8%
West	365,753	-5.1%

AVERAGE AWEX MICRON PRICE GUIDES

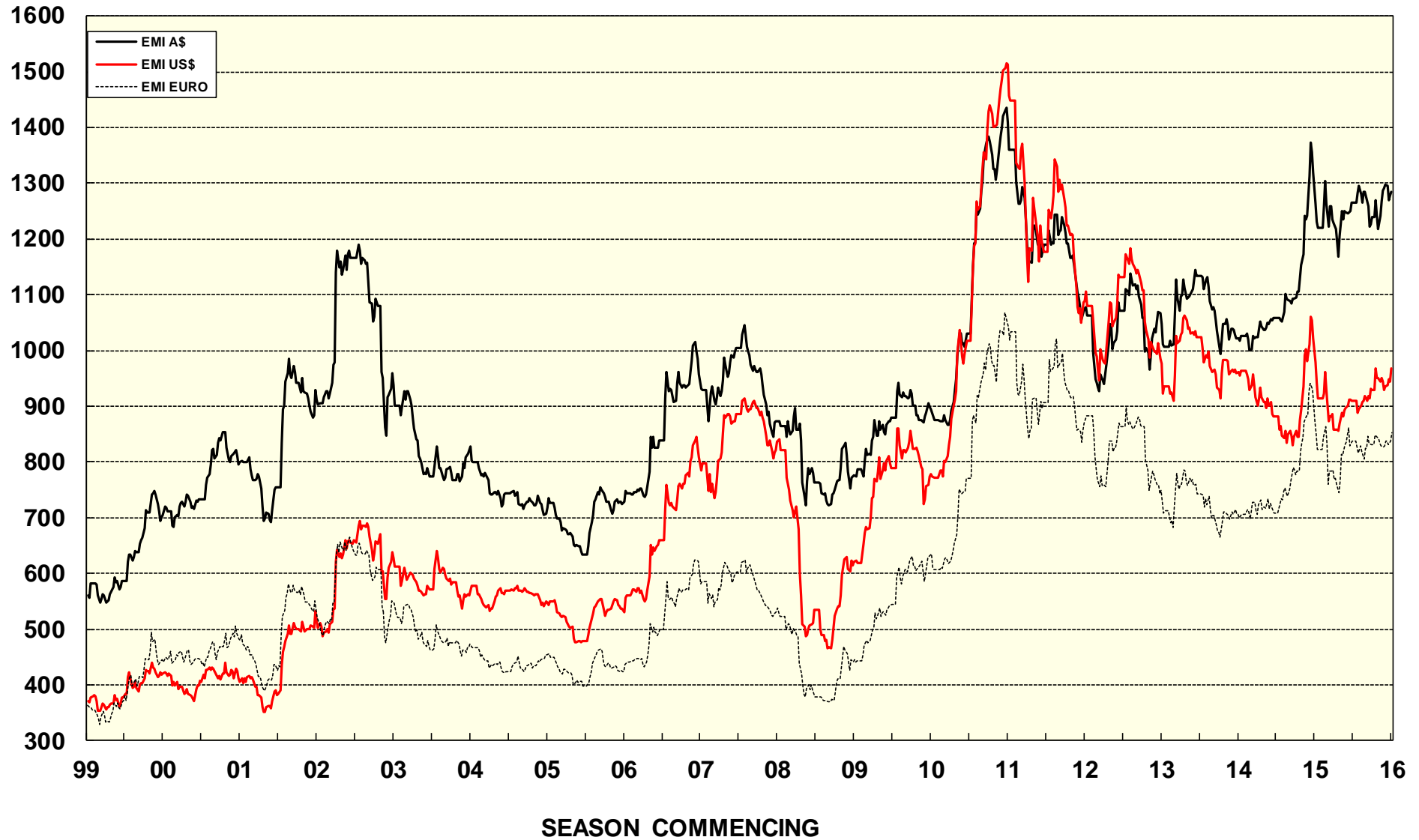
2015/16 (black graph line) and 2014/15 (red graph line)



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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