

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW

Week Ending 12 August 2016 (Week 06)

The AWEX EMI finished at 1297¢, 14¢ lower (-1.1%) in Australian currency and 1¢ higher (+0.1%) in US currency at the first sales after the mid-year break in Sydney, Melbourne and Fremantle.

52,182 bales were on offer nationally, compared with 40,935 bales last sale. 7.6% of the offering was passed in.

It was the largest opening sale since 2011. It will be followed by a smaller sale of around 42,000 bales in Week 07.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 06)									
Centre	Last Sale		Day-to-Day Changes (Week 06)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	02	1311	No Sale	-8	-6	-14 (-1.1%)	1297	+1	-4
Northern	02	1333	No Sale	-6	-6	-12 (-0.9%)	1321	+2	-3
Southern	02	1296	No Sale	-8	-6	-14 (-1.1%)	1282	+1	-4
Western	02	1414	No Sale	-9	-8	-17 (-1.2%)	1397	0	-5

Overall, it was a good market. The closing EMI in US currency of 999¢ was the 31¢ above the highest value of the previous season. The downward movement in Australian currency was driven by the 1.2% increase in the US exchange rate since the last sale in Week 02

However, the week was a bit mixed. Better types generally fared better than the lesser type. Merino skirtings came under some pressure on Wednesday before firming on Thursday. Oddments came back sharply on Wednesday before steadying on Thursday. This was typified by a fall of 37¢ in the average AWEX Merino Cardings Price Guide on Wednesday that was followed by a fall of only 2¢ on Thursday. Crossbreds were softer on Wednesday, but lifted on Thursday.

The US exchange rate finished 0.90¢ (1.2%) higher than at the close of selling before the break. It closed at 77.01¢ on Thursday. It withstood the attempts by the Reserve Bank to force it down when it lowered the official interest rate by 0.25% on 2 August. Their efforts were not helped by weaker economic news from the United States that has led financial analysts to speculate that any lift in the US interest rate has been put back again.

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

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	62¢	87¢	116¢	125¢	141¢
South	53¢	69¢	101¢	106¢	113¢

Market Indicator	Changes From			
	Four Sales Ago Week 52	Start of the Season	Week 06 Last Year	Season Average to Week 06 Last Year
Eastern Market Indicator	+12 (+0.9%)	-19 (-1.4%)	+39 (+3.1%)	+72 (+5.8%)
Western Market Indicator	No Sale	-22 (-1.6%)	+124 (+9.7%)	+174 (+14.1%)

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 ¢		-11	-11	-23	-20	-16	-15	-13	-11	-10	-19	
Change %		-0.7%	-0.7%	-1.5%	-1.3%	-1.1%	-1.0%	-0.9%	-0.7%	-0.7%	-1.3%	
Since Start of the Season												
Change ¢		-12	-13	-13	-27	-29	-26	-25	-24	-20	-15	-26
Change %		-0.8%	-0.8%	-0.8%	-1.7%	-1.9%	-1.7%	-1.7%	-1.6%	-1.4%	-1.0%	-1.8%
Since Same Week Last Year												
Change ¢		+56	+68	+68	+59	+80	+92	+103	+107	+116	+122	+128
Change %		+3.7%	+4.6%	+4.6%	+4.0%	+5.7%	+6.6%	+7.5%	+7.9%	+8.6%	+9.2%	+9.8%

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 ¢		-15	+13	-6	+20	+8
Change %		-1.2%	+1.2%	-0.8%	+3.2%	+1.6%
Since Start of the Season						
Change ¢		+16	+27	-6	+13	0
Change %		+1.3%	+2.5%	-0.8%	+2.0%	0.0%
Since Same Week Last Year						
Change ¢		+67	+66	-166	-195	-214
Change %		+5.8%	+6.2%	-18.1%	-23.0%	-29.0%

Average Merino Cardings Price Guide

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AWIS WOOL MARKET REVIEW Week Ending 12 August 2016 (Week 06)

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 June ABS export data.

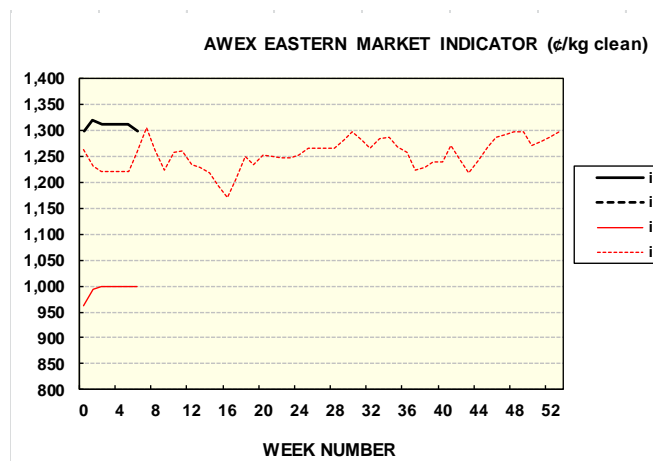
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re- Offered	Bales Sold
North	14,799	17,533	5.7%	1.5%	2.8%	16,533
South	18,950	23,741	8.0%	2.5%	3.3%	21,838
West	7,186	10,908	9.6%	1.8%	4.2%	9,857
Australia	40,935	52,182	7.6%	2.1%	3.3%	48,228

Actual and % Changes in the Progressive Offerings from Last Year	
+422	+0.9%
-693	-1.2%
+3,493	+14.5%
+3,222	+2.5%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 07	Week 08	Week 09	Differences
North	14,255	11,820	12,840	+4.6%
South	21,007	23,180	19,304	+37.7%
West	7,589	No Sale	8,200	+0.2%
New Zealand				
Australia	42,851	35,000	40,344	+19.3%
Differences	+50.3%	+9.5%	+4.6%	

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	76.11	+0.49	-0.50	+0.21	+0.64	+0.06	+0.90 (+1.2%)	77.01	75.21	77.01
Euro	68.55	+0.22	-0.18	+0.31	+0.13	-0.05	+0.43 (+0.6%)	68.98	67.82	68.98

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to May	
	June 2016	July to June This Season	July to June Last Season	By Weight	By Value
China	78.5%	75.7%	76.9%	-12.1%	+0.6%
India	8.2%	7.4%	6.4%	+3.0%	+18.2%
Italy	2.1%	4.4%	3.9%	-0.5%	+10.0%
Czech Republic	3.7%	4.9%	4.8%	-9.3%	-1.9%
Malaysia	1.4%	1.5%	1.7%	-21.3%	-36.0%
Korea	2.1%	1.8%	2.1%	-21.8%	-3.6%
Taiwan	1.0%	0.8%	0.8%	-13.1%	-7.1%
Egypt	1.3%	1.2%	0.9%	+17.0%	+27.4%
Change all Countries				-10.7%	+1.3%



AVERAGE EMI	
This Year	1309
Last Year	1254
2014/15	1102
2013/14	1070
2012/13	1035

SEASON AVERAGES			
Region	This Year	Diff	
North	1332	+52	
South	1295	+57	
West	1411	+103	

THIS YEAR'S EMI	
This Week	1297
First Week	1320
Low (12/08)	1297
High (8/07)	1320

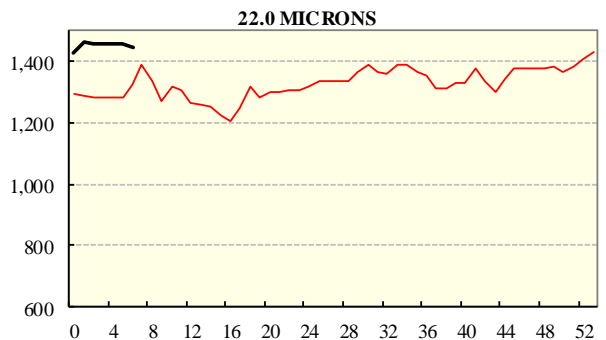
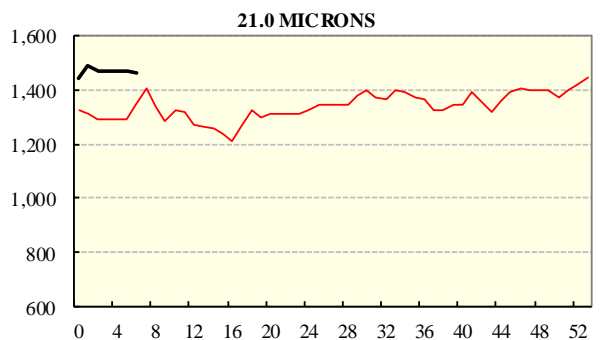
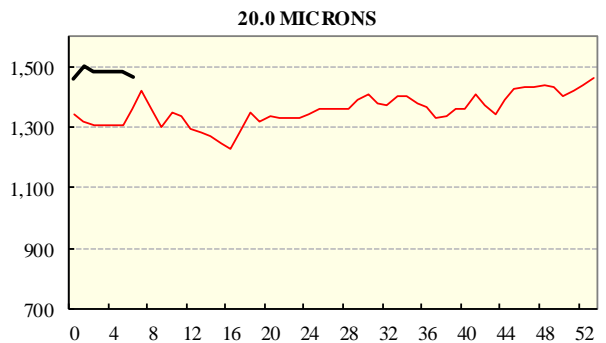
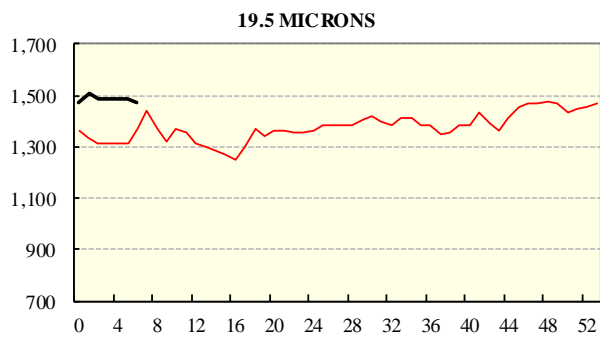
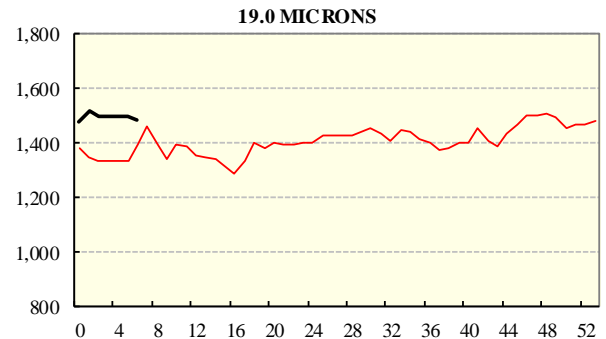
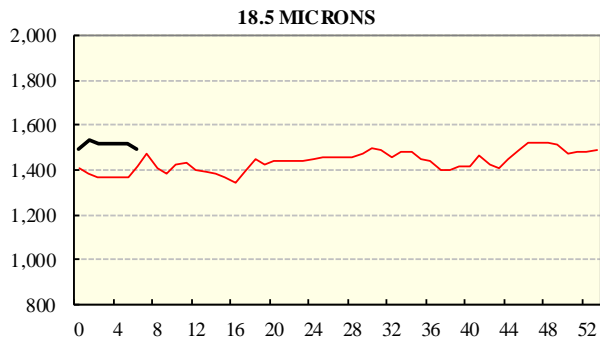
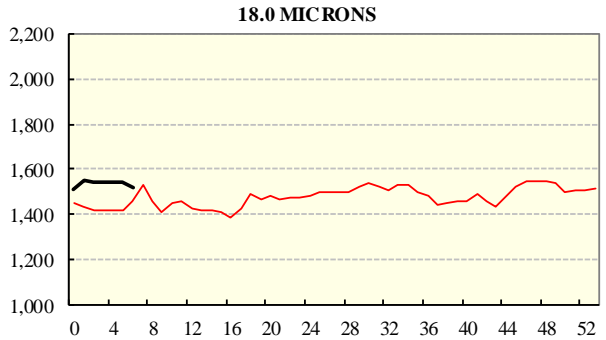
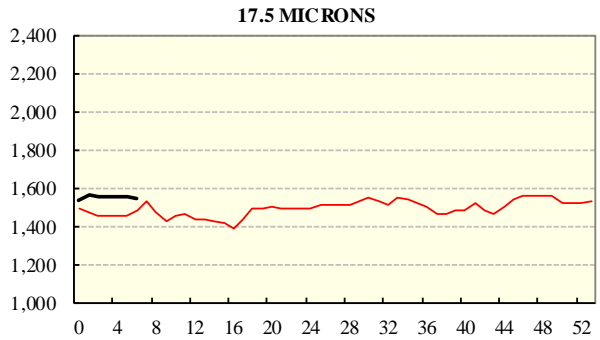
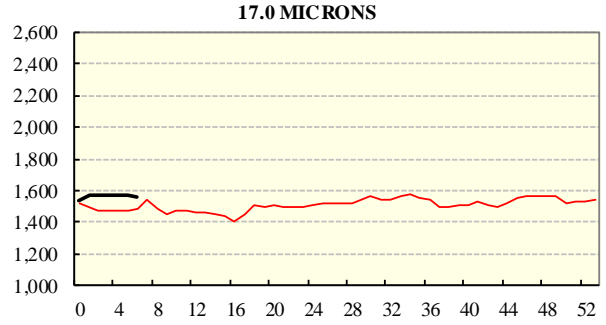
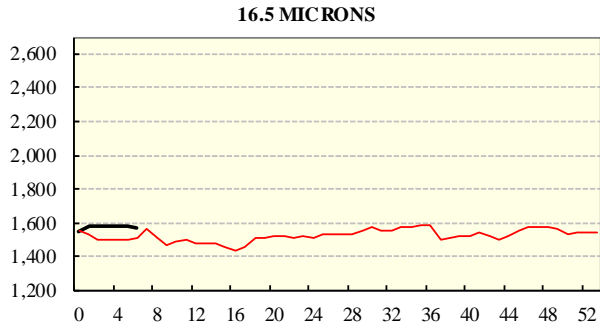
COMPARED WITH WKS 1/2			
Region	This Week	Diff	
North	1321	-16	
South	1282	-19	
West	1397	-22	

BALES OFFERED	
This Year	132,269
Last Year	129,047
Difference	3,222
% Diff	2.5%
FIRST OFFERED BALES	
Difference	2.8%
% of Offering	95%

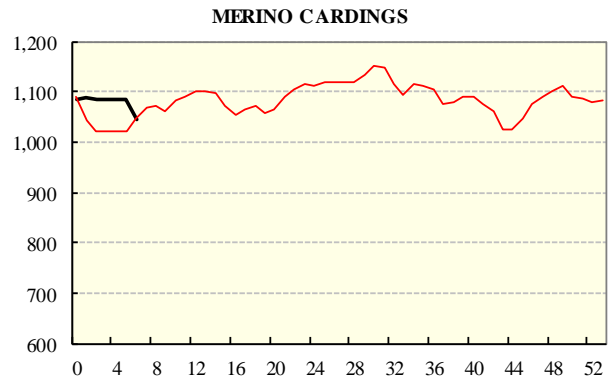
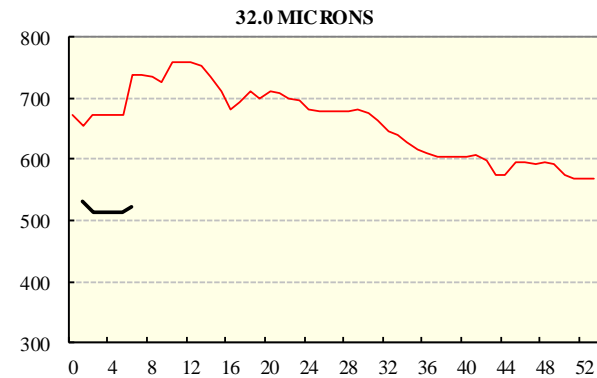
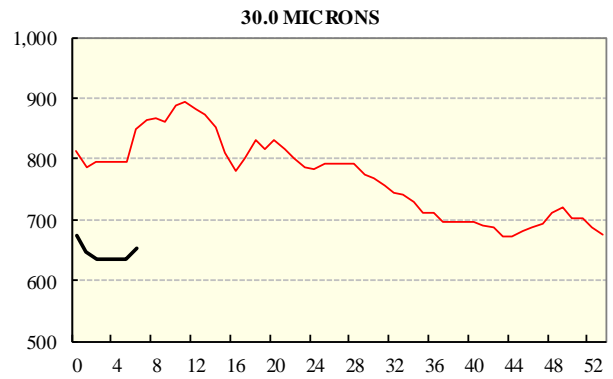
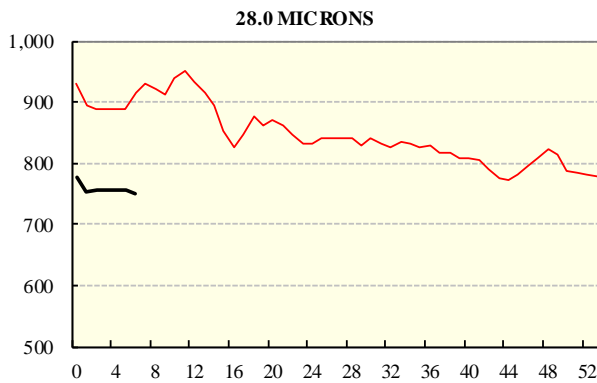
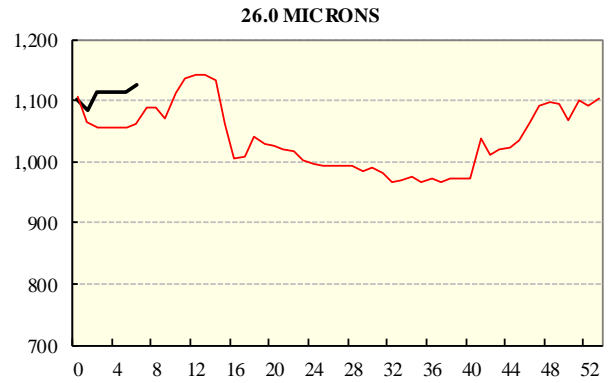
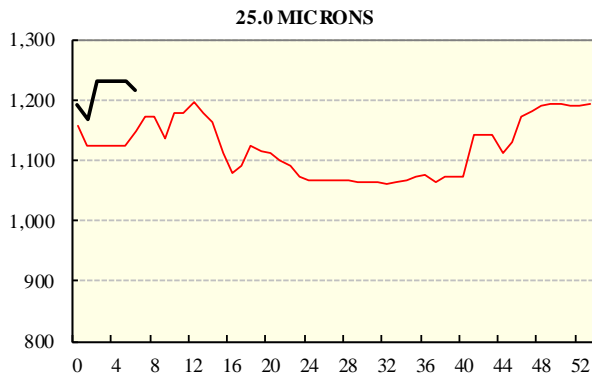
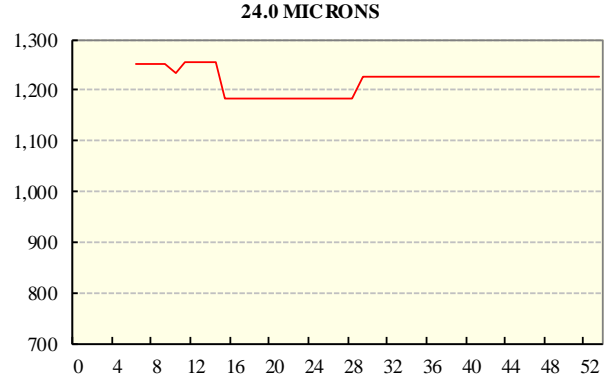
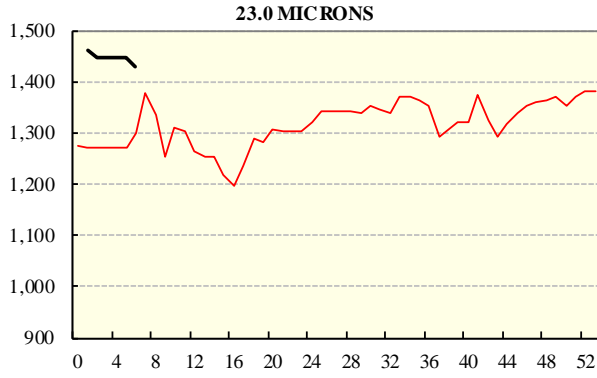
REGION BALES			
This Sale:			
North	17,533		
South	23,741		
West	10,908		
Progressive Totals:			Diff
North	46,043		0.9%
South	58,676		-1.2%
West	27,550		14.5%

AVERAGE AWEX MICRON PRICE GUIDES

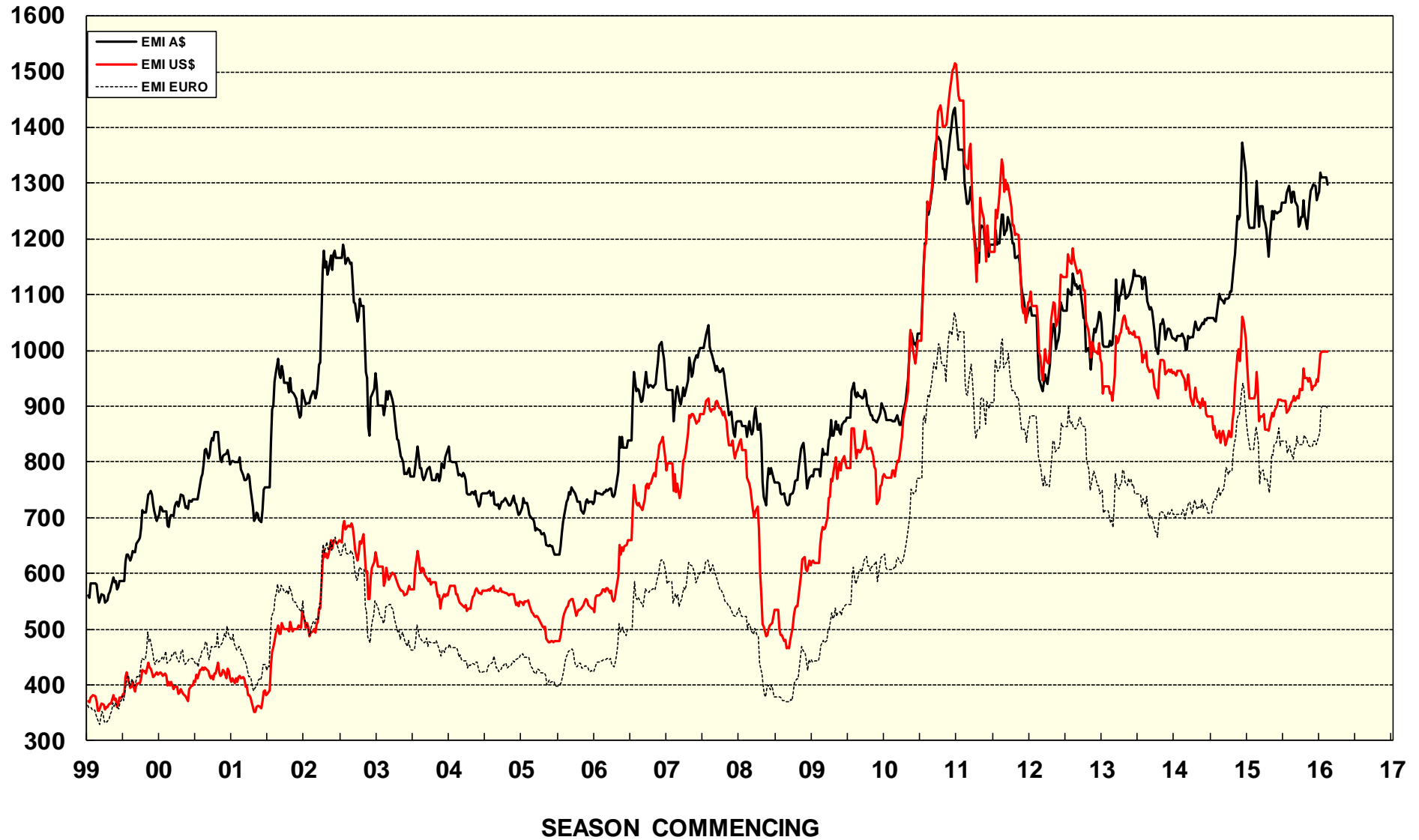
2016/17 (black graph line) and 2015/16 (red graph line)



AVERAGE AWEX MICRON PRICE GUIDES
 2016/17(black graph line) and 2015/16 (red graph line)



EASTERN MARKET INDICATOR (EMI) SINCE 1999/00 (¢/kg clean) (In Australian, United States and European Currencies)



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