

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW

Week Ending 13 January 2017 (Week 28)

The AWEX EMI finished 67¢ higher (+4.9%) in Australian currency and 55¢ higher (+5.5%) in US currency when sales resumed in Sydney, Melbourne and Fremantle this week after the three week Christmas break.

51,379 bales were on offer nationally, compared with 55,468 bales last sale. 5.0% of the offering was passed in, mainly due to a high pass-in rate for Crossbred wools and oddments. The Merino Fleece pass-in rate was 1.5%.

Merino wools traditionally make up a lower proportion of the offering at this time of the year.

AWEX reports that the value of the wool sold was \$75.2 million (\$1,541 per bale).

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 28)									
Centre	Last Sale		Day-to-Day Changes (Week 28)			Sale-to-Sale	Closing	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday	Change	Indicator	US ¢	Euro ¢
Eastern	24	1355	+19	+39	+9	+67 (+4.9%)	1422	+55	+45
Northern	24	1412	No Sale	+67	+11	+78 (+5.5%)	1490	+64	+52
Southern	24	1318	+32	+20	+7	+59 (+4.5%)	1377	+50	+39
Western	24	1421	No Sale	+60	+17	+77 (+5.4%)	1498	+63	+52

It was a very good start to the second half of the season, following the good close in the last sale before Christmas. The EMI at 1422¢ is at its second highest level since AWIS was established in 1999. The only higher price was 1436¢ in Week 51 of the 2010/11 season. The WMI at 1498¢ is at its highest value since AWIS was established.

Merinos led the way, particularly at the fine end, where the average AWEX MPGs for 16.5 microns and 17.0 microns were up by 150¢ (8.5%) since the last sale. The smallest increase was + 5.1% at 22 microns. The difference between the 16.5 and 22 MPGs has now grown to 525¢ in the North and 477¢ in the South.

Merino skirtings followed the fleece wool, while Merino Cardings also did well, lifting by 34¢ to 1166¢, the highest value for the season. Crossbreds continued their downward movement of recent sales.

The US Exchange Rate finished 0.41¢ (0.6%) higher to close at 74.62¢ on Thursday. It had fallen to 72¢ during the break before steadily recovering to its present level over the last ten days.

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	359¢	417¢	458¢	499¢	525¢
South	340¢	403¢	437¢	463¢	477¢

Market Indicator	Changes From			
	Four Sales Ago Week 21	Start of the Season	Week 28 Last Year	Season Average to Week 28 Last Year
Eastern Market Indicator	+59 (+4.3%)	+106 (+8.1%)	No Sale	+84 (+6.8%)
Western Market Indicator	+60 (+4.2%)	+79 (+5.6%)	No Sale	+120 (+9.4%)

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
Since Last Sale												
Change ¢	+151	+150	+136	+127	+112	+102	+102	+95	+74	+70		
Change %	+8.4%	+8.5%	+7.8%	+7.4%	+6.7%	+6.3%	+6.5%	+6.4%	+5.2%	+5.1%		
Since Start of the Season												
Change ¢	+360	+351	+325	+303	+269	+214	+165	+93	+4	-13		
Change %	+22.8%	+22.4%	+20.8%	+19.6%	+17.7%	+14.2%	+11.0%	+6.2%	+0.3%	-0.9%		
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 ¢	+3	-5	+1	-28	-9	+34
Change %	+0.3%	-0.5%	+0.2%	-4.7%	-1.9%	+3.0%
Since Start of the Season						
Change ¢	-148	-160	-92	-67	-57	+80
Change %	-12.3%	-14.5%	-12.2%	-10.5%	-10.9%	+7.4%
Since Same Week Last Year						
Change ¢	No Sale					
Change %	No Sale					

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.

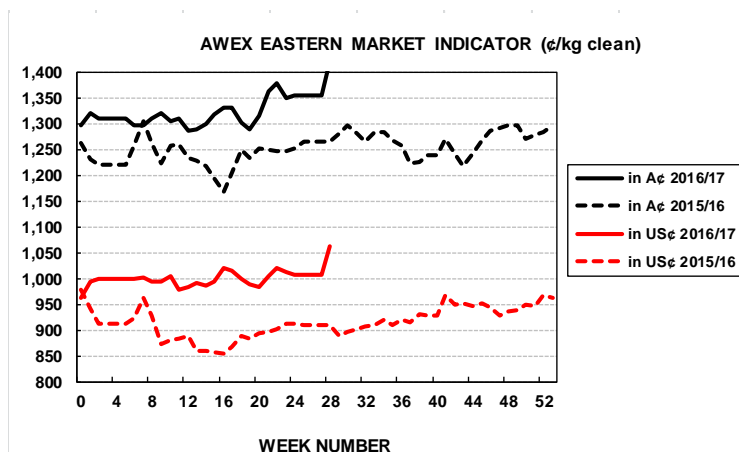
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re- Offered	Bales Sold
North	15,578	14,055	6.4%	2.1%	8.4%	13,150
South	30,256	25,326	4.6%	3.9%	5.4%	24,157
West	9,634	11,998	4.1%	0.9%	5.6%	11,501
Australia	55,468	51,379	5.0%	2.7%	6.2%	48,808

Actual and % Changes in the Progressive Offerings from Last Year	
+22,741	+9.1%
+28,398	+6.5%
+23,165	+13.7%
+74,304	+8.7%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 29	Week 30	Week 31	Differences
North	15,472	11,240	11,050	-5.8%
South	27,983	23,593	21,095	-12.0%
West	11,939	8,550	9,450	-17.2%
New Zealand				
Australia	55,394	43,383	41,595	-19.2%
Differences	+3.3%	-27.4%	-8.4%	

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	74.21	-1.03	-0.08	+0.64	+0.07	+0.81	+0.41 (+0.6%)	74.62	73.75	77.11
Euro	70.59	-1.43	+0.28	+0.07	+0.45	+0.44	-0.19 (-0.3%)	70.40	66.40	70.59

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to November	
	November 2016	July to November This Season	July to November Last Season	By Weight	By Value
China	84.3%	77.8%	72.5%	+17.9%	+20.9%
India	5.7%	7.1%	8.5%	-8.1%	-0.7%
Italy	2.3%	4.8%	6.0%	-11.7%	-4.3%
Czech Republic	2.6%	4.5%	5.2%	-4.1%	+1.3%
Malaysia	1.1%	0.8%	1.5%	-38.4%	-46.1%
Korea	1.4%	1.4%	1.7%	-8.0%	-10.7%
Taiwan	0.9%	0.8%	1.0%	-8.4%	-4.1%
Egypt	0.6%	0.9%	1.3%	-23.2%	-16.7%
Change all Countries				+9.9%	+12.3%



AVERAGE EMI	
This Year	1323
Last Year	1254
2014/15	1102
2013/14	1070
2012/13	1035

SEASON AVERAGES		
Region	This Year	Diff
North	1362	+83
South	1297	+59
West	1397	+89

THIS YEAR'S EMI	
This Week	1422
First Week	1320
Low (23/09)	1287
High (13/01)	1422

COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1490	+153
South	1377	+76
West	1498	+79

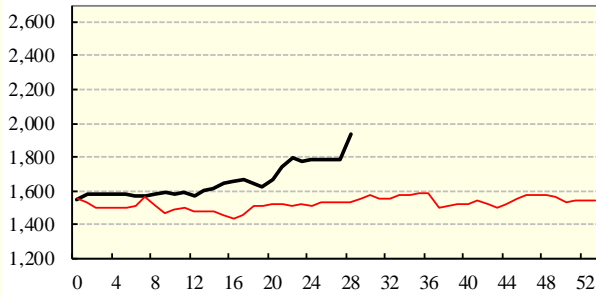
BALES OFFERED	
This Year	930,020
Last Year	855,716
Difference	+74,304
% Diff	+8.7%
FIRST OFFERED BALES	
Difference	+9.0%
% of Offering	95.7%

REGION BALES		
This Sale:		Diff
North	14,055	
South	25,326	
West	11,998	
Progressive Totals:		Diff
North	273,493	+9.1%
South	463,780	+6.5%
West	192,747	+13.7%

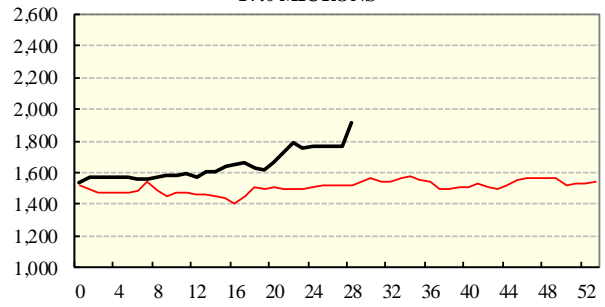
AVERAGE AWEX MICRON PRICE GUIDES

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

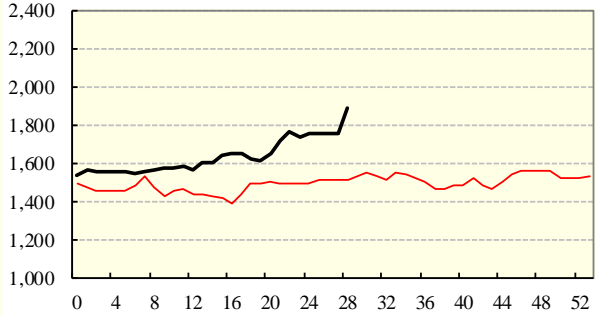
16.5 MICRONS



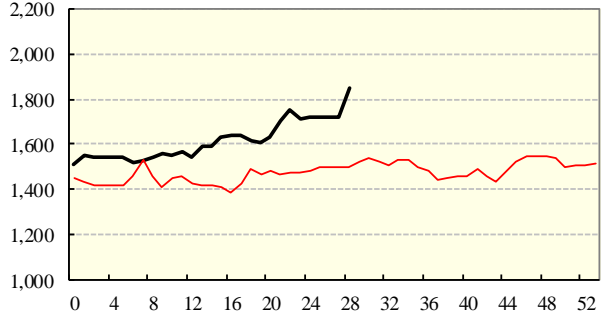
17.0 MICRONS



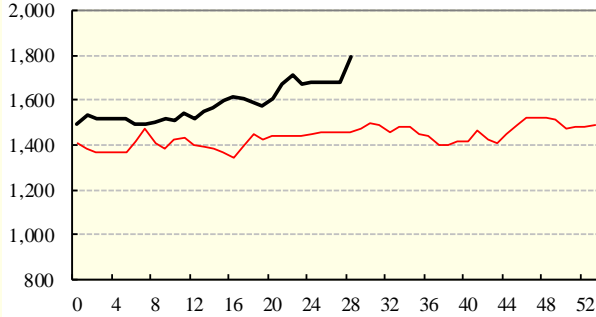
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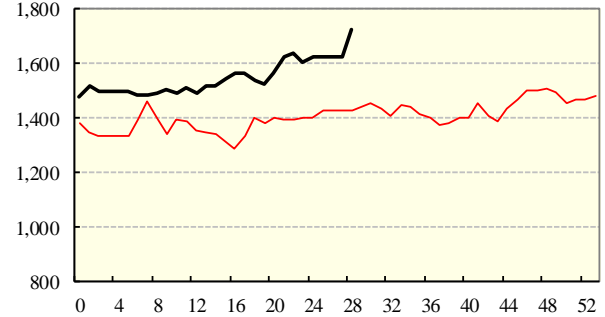
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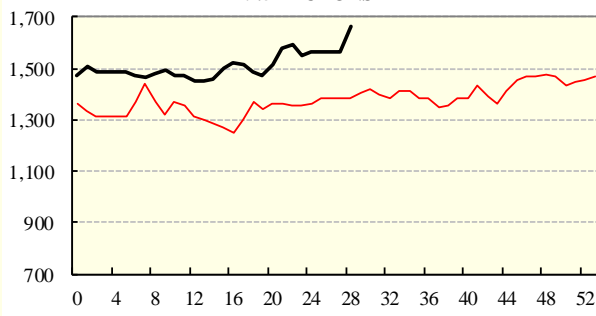
18.5 MICRONS



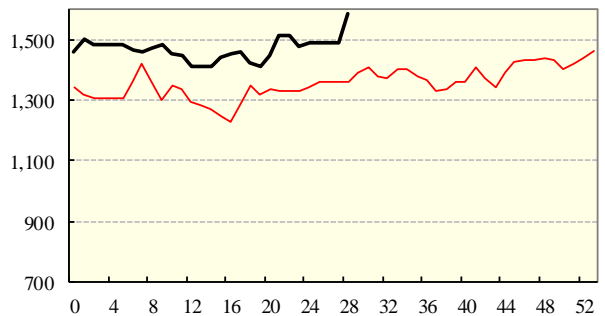
19.0 MICRONS



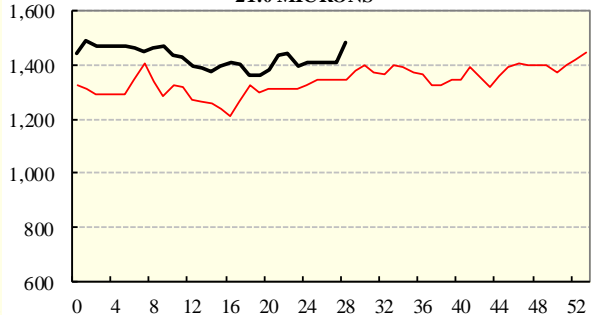
19.5 MICRONS



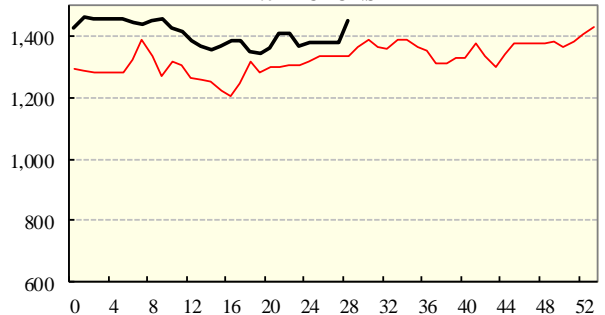
20.0 MICRONS



21.0 MICRONS



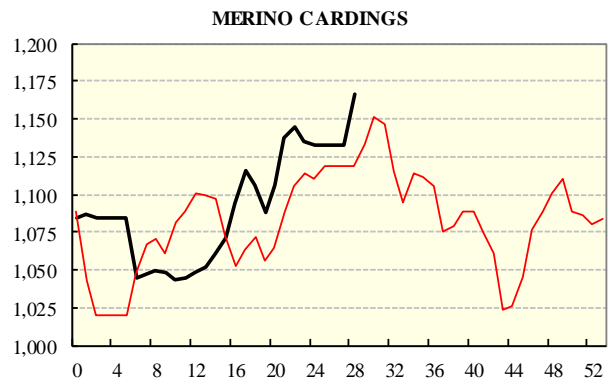
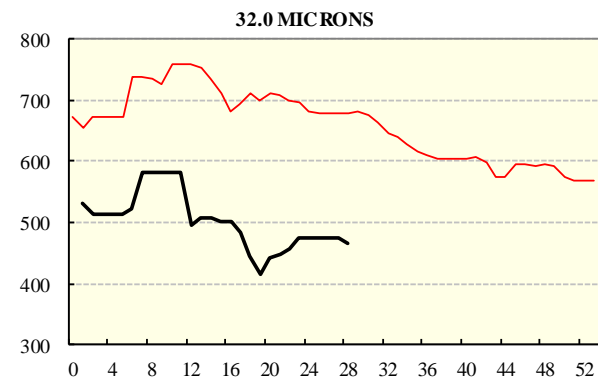
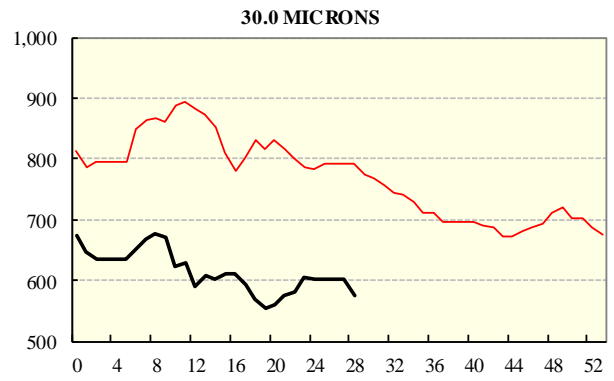
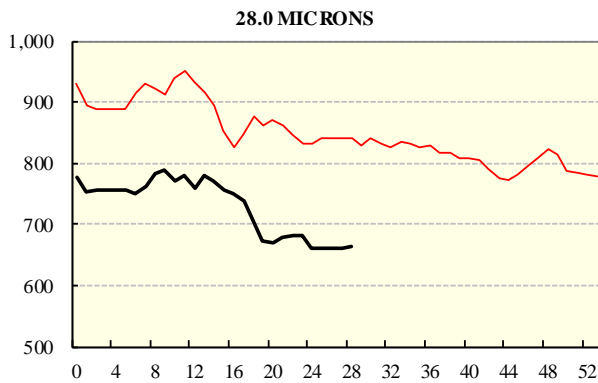
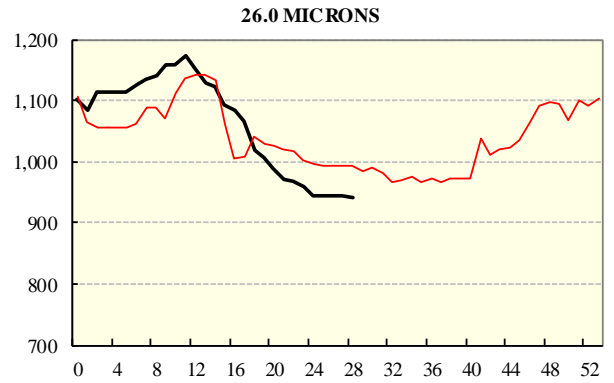
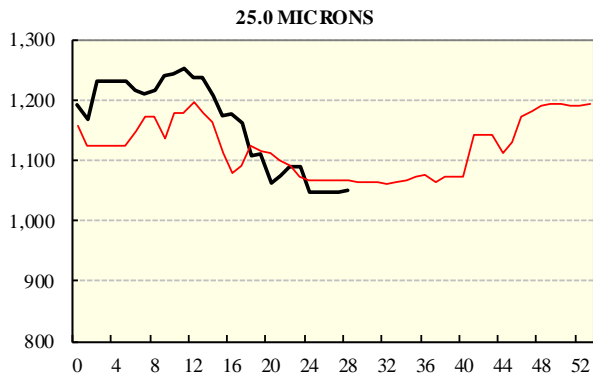
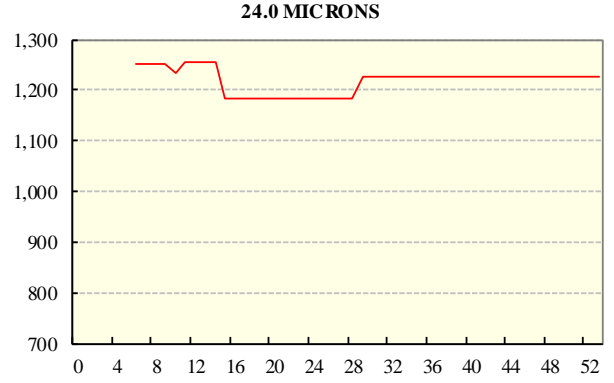
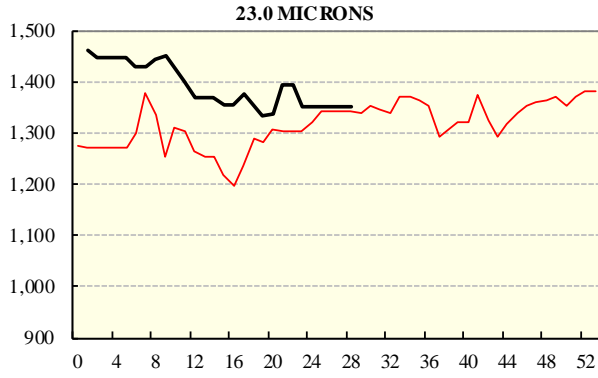
22.0 MICRONS



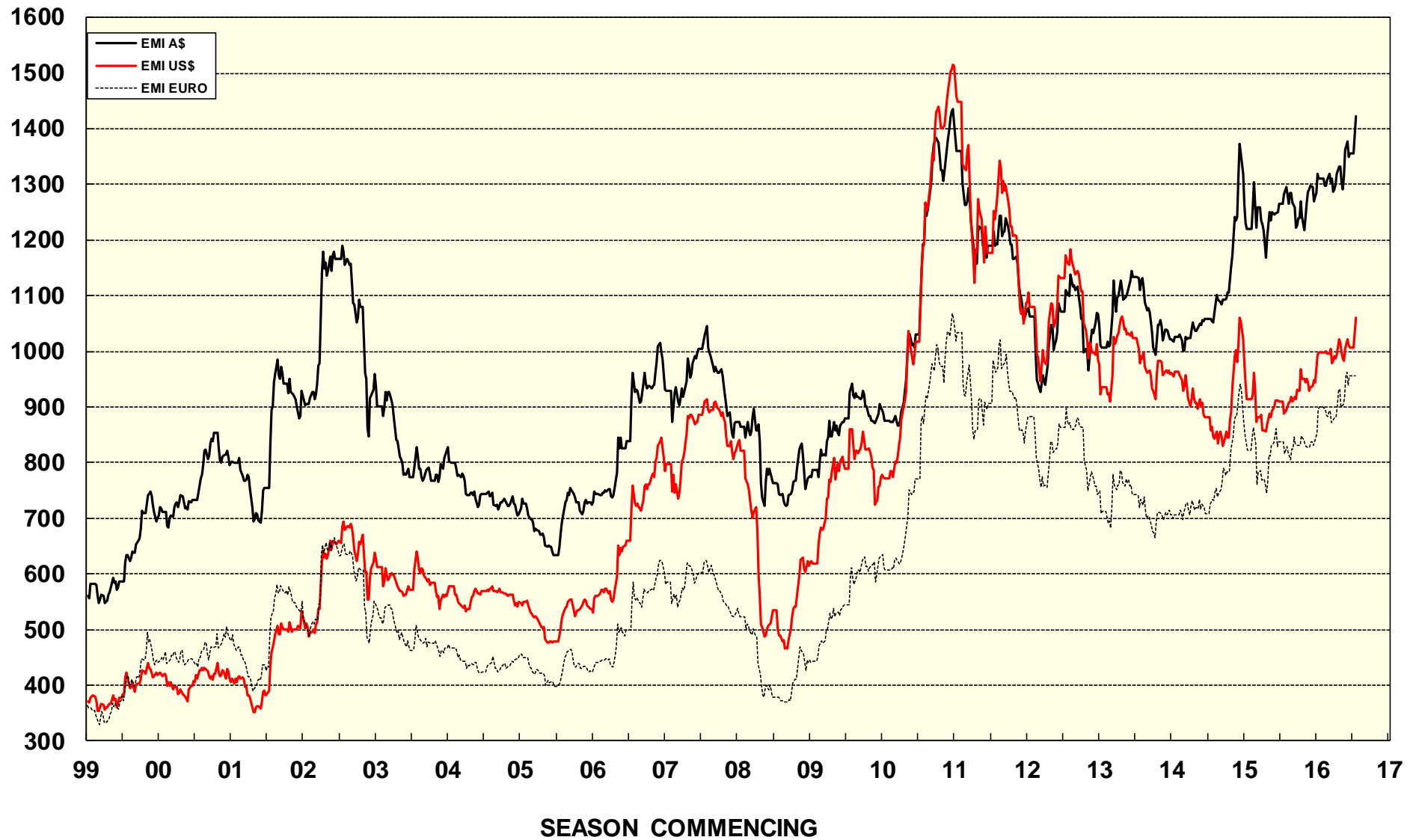
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AVERAGE AWEX MICRON PRICE GUIDES

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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For further information

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