

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW

Week Ending 14 October 2016 (Week 15)

The AWEX EMI finished 18¢ higher (+1.4%) in Australian currency and 6¢ higher (+0.6%) in US currency at sales in Sydney, Melbourne and Fremantle this week. The WMI finished up by 18¢ on Thursday in a strong finish to the week. 29,372 bales were on offer nationally, compared with 36,849 bales last sale. 2.6% of the offering was passed in. The quantities on offer were affected by the rain delays to shearing throughout much of eastern Australia.

AWEX reports that the value of the Australian wool sold was \$45.1 million (\$1,576 per bale).

The New Zealand Merino Company offered 2,485 bales in Melbourne on Tuesday, of which 6.3% were passed in.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 15)									
Centre	Last Sale		Day-to-Day Changes (Week 15)			Sale-to-Sale	Closing	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday	Change	Indicator	US ¢	Euro ¢
Eastern	14	1300	No Sale	+5	+13	+18 (+1.4%)	1318	+6	+20
Northern	14	1341	No Sale	+4	+14	+18 (+1.3%)	1359	+5	+20
Southern	14	1274	No Sale	+5	+12	+17 (+1.3%)	1291	+5	+19
Western	14	1348	No Sale	+9	+18	+27 (+2.0%)	1375	+12	+27

It was another strong market this week in which the EMI moved to within 2¢ of its highest value for the season in Australian currency and growers responded with the highest clearance rate of the season. It is not clear how much effect the small sale had, given that it reflected delays in the receipt of wool, rather a fall in production.

There were rises across all Merino micron ranges and types, with the greatest gains from 16.5 to 20.0 microns. The stronger support for the finer wools resulted in a further widening of the differences between the 16.5 and 22 micron MPGs. The differences are now 292¢ in the North and 255¢ in the South compared with 148¢ and 108¢, respectively in Week 8.

The US Exchange Rate was under pressure during the week as speculation resurfaced about the likelihood of an increase in the official US interest rate before the end of the year. It finished 0.59¢ (-0.8%) lower to close at 75.37¢ on Thursday.

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

Another smaller sale is expected in the coming week, with 36,300 bales currently forecast to be offered. Some recovery is expected in the following week (Week 17). The Sydney 16 sale is a designated Australian Superfine sale.

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	243¢	268¢	280¢	284¢	292¢
South	218¢	239¢	246¢	252¢	255¢

Market Indicator	Changes From			
	Four Sales Ago Week 11	Start of the Season	Week 15 Last Year	Season Average to Week 15 Last Year
Eastern Market Indicator	+7 (+0.5%)	+2 (+0.2%)	+123 (+10.3%)	+65 (+5.2%)
Western Market Indicator	-9 (-0.7%)	-44 (-3.1%)	+148 (+12.1%)	+113 (+8.9%)

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 ¢		+36	+35	+35	+33	+27	+40	+35	+23	+15		
Change %		+2.2%	+2.2%	+2.2%	+2.1%	+1.8%	+2.7%	+2.5%	+1.7%	+1.1%		
Since Start of the Season												
Change ¢	+68	+73	+75	+82	+74	+37	+1	-48	-82	-93	-99	
Change %	+4.3%	+4.6%	+4.8%	+5.3%	+4.9%	+2.5%	+0.1%	-3.2%	-5.5%	-6.4%	-6.8%	
Since Same Week Last Year												
Change ¢	+192	+207	+214	+217	+227	+230	+230	+196	+159	+143	+138	
Change %	+13.2%	+14.4%	+15.0%	+15.4%	+16.6%	+17.5%	+18.1%	+15.7%	+12.8%	+11.7%	+11.3%	

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 ¢	-33	-31	-16	+9	-5	+11
Change %	-2.7%	-2.8%	-2.1%	+1.5%	-1.0%	+1.0%
Since Start of the Season						
Change ¢	-25	-7	+1	-29	-20	-15
Change %	-2.1%	-0.6%	+0.1%	-4.5%	-3.8%	-1.4%
Since Same Week Last Year						
Change ¢	+63	+31	-98	-198	-208	-2
Change %	+5.7%	+2.9%	-11.5%	-24.4%	-29.3%	-0.2%

Average Merino Cardings Price Guide

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AWIS WOOL MARKET REVIEW Week Ending 14 October 2016 (Week 15)

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 August ABS export data.

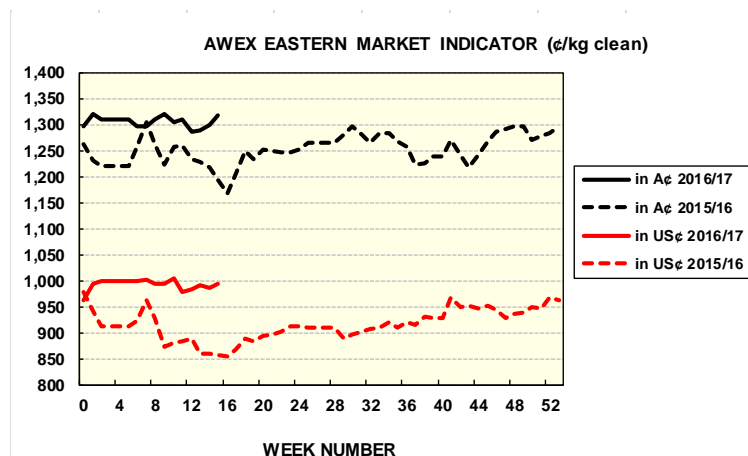
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re- Offered	Bales Sold
North	7,781	7,585	4.2%	3.9%	3.9%	7,264
South	19,846	13,485	1.7%	1.5%	6.5%	13,261
West	9,222	8,302	2.6%	1.7%	4.7%	8,086
Australia	36,849	29,372	2.6%	2.2%	5.3%	28,611

Actual and % Changes in the Progressive Offerings from Last Year	
-1,283	-0.9%
+1,105	+0.5%
+10,747	+12.9%
+10,569	+2.4%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 16	Week 17	Week 18	Differences
North	9,295	9,510	10,210	-2.0%
South	17,939	21,698	24,520	+1.8%
West	9,025	8,120	8,120	+0.7%
New Zealand		1,880	1,200	
Australia	36,259	39,328	42,850	+0.6%
Differences	-11.0%	+5.9%	+7.5%	

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	75.96	-0.23	+0.20	-0.41	+0.25	-0.40	-0.59 (-0.8%)	75.37	74.69	77.11
Euro	67.83	+0.28	-0.26	-0.02	+0.75	-0.16	+0.59 (+0.9%)	68.42	66.40	68.98

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to August	
	August 2016	July to August This Season	July to August Last Season	By Weight	By Value
China	76.9%	75.2%	74.5%	-2.0%	-3.6%
India	6.0%	7.5%	9.5%	-23.3%	-19.6%
Italy	6.3%	5.7%	5.0%	+5.9%	+19.8%
Czech Republic	5.3%	5.4%	3.4%	+54.3%	+61.7%
Malaysia	1.0%	1.0%	1.3%	-22.9%	-36.7%
Korea	1.7%	1.7%	1.5%	+5.7%	+2.9%
Taiwan	0.1%	0.7%	0.9%	-19.5%	-14.6%
Egypt	0.8%	1.0%	1.5%	-34.5%	-36.1%
Change all Countries				-2.9%	-3.7%



AVERAGE EMI	
This Year	1306
Last Year	1254
2014/15	1102
2013/14	1070
2012/13	1035

SEASON AVERAGES		
Region	This Year	Diff
North	1334	+55
South	1287	+49
West	1386	+78

THIS YEAR'S EMI	
This Week	1318
First Week	1320
Low (26/10)	1287
High (23/11)	1320

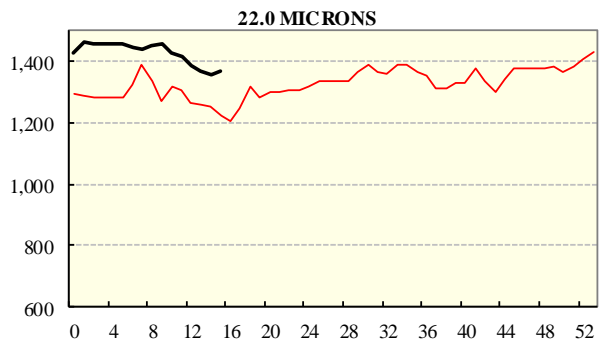
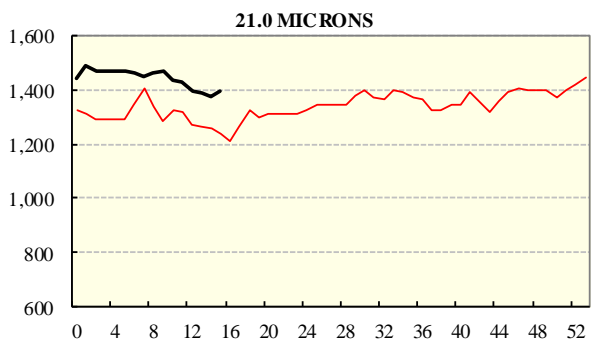
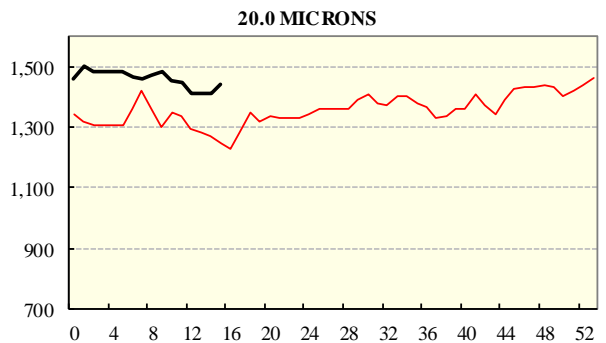
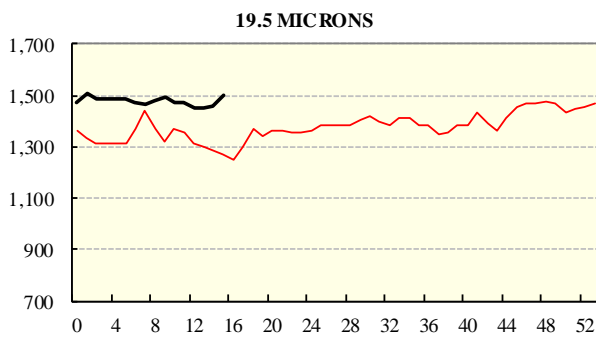
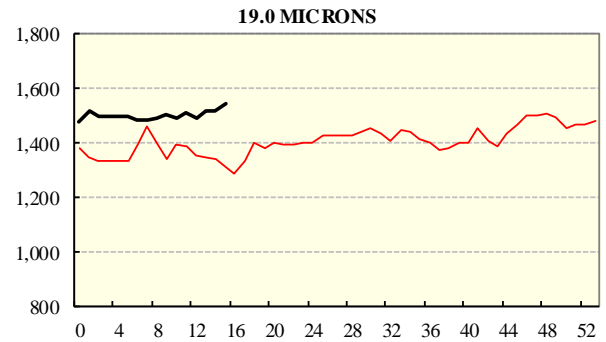
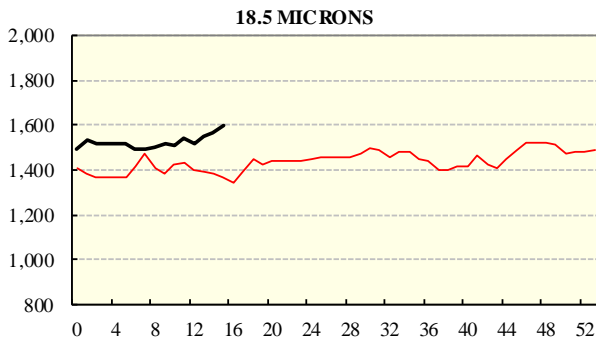
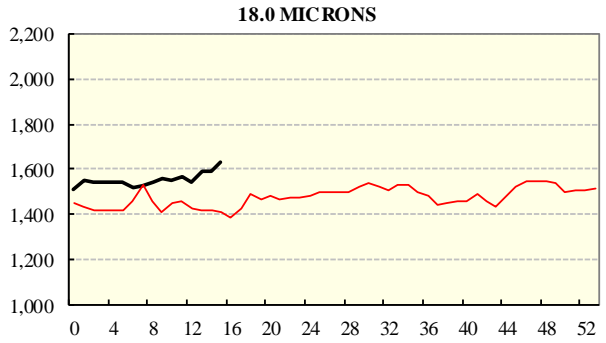
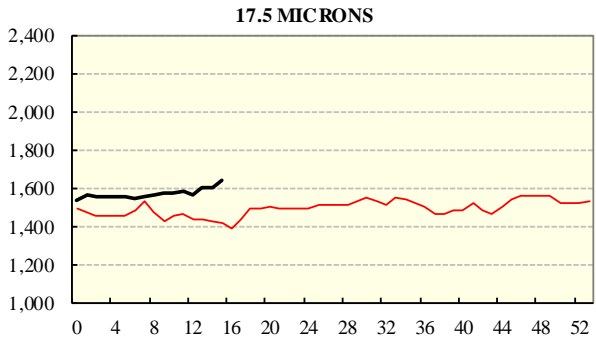
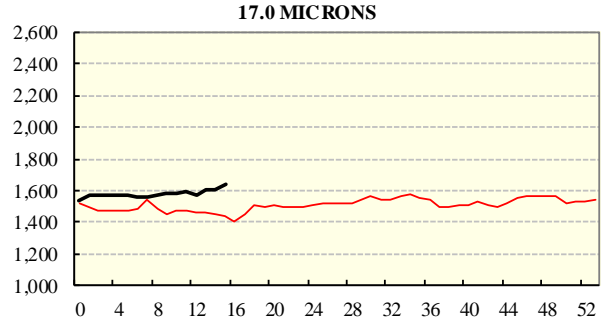
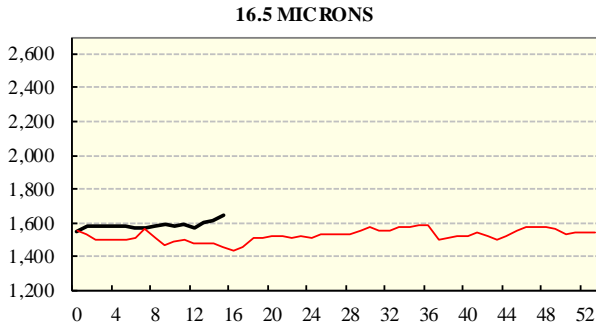
COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1359	+22
South	1291	-10
West	1375	-44

BALES OFFERED	
This Year	455,080
Last Year	444,511
Difference	10,569
% Diff	2.4%
FIRST OFFERED BALES	
Difference	3.2%
% of Offering	95.7%

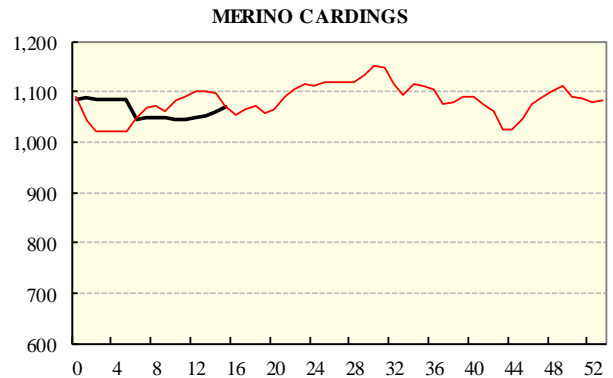
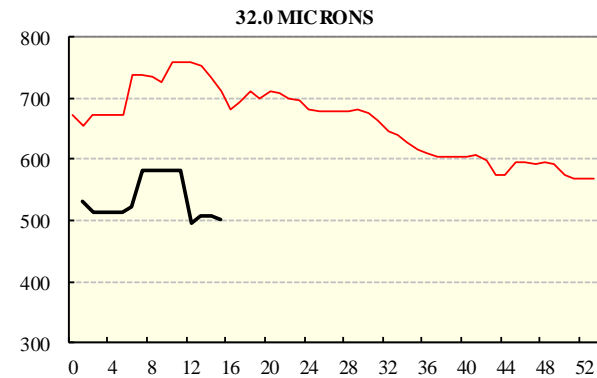
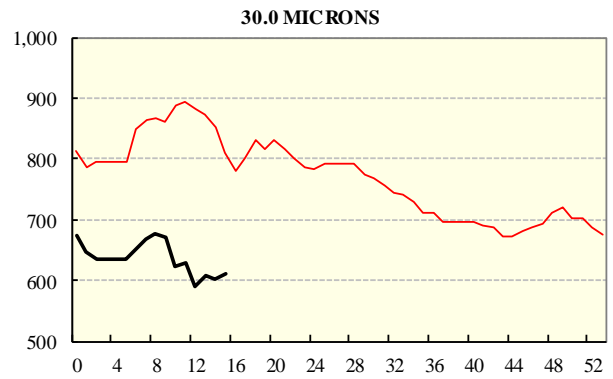
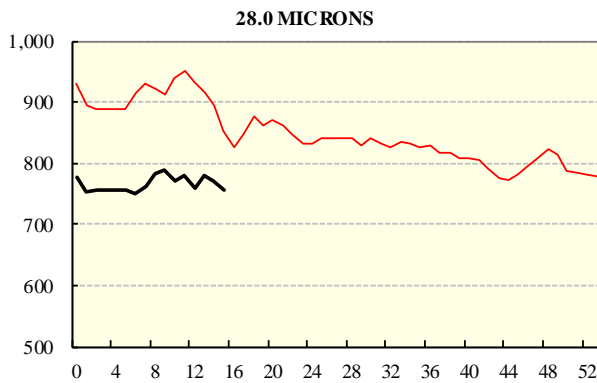
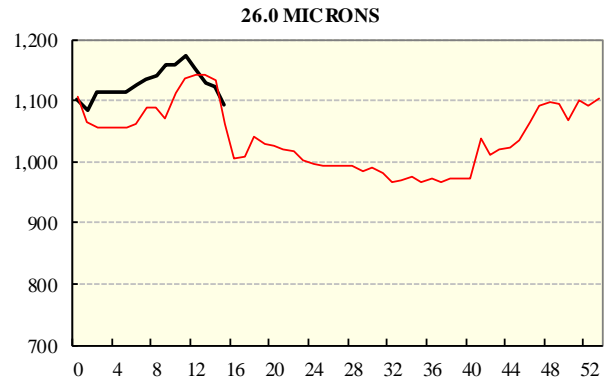
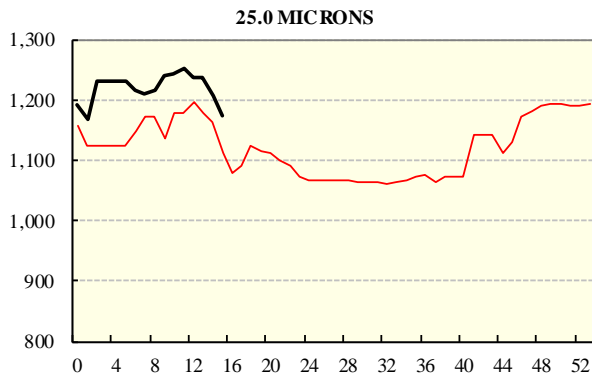
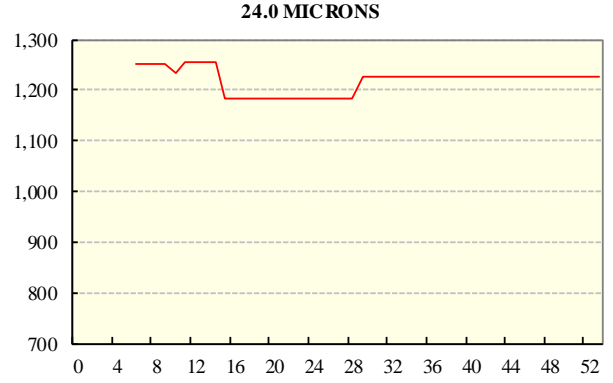
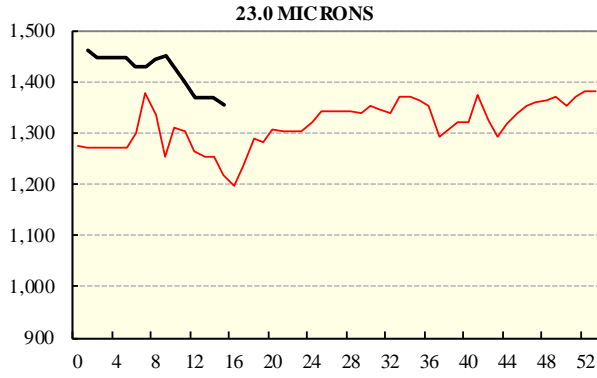
REGION BALES		
This Sale:		Diff
North	6,682	
South	64	
West	7,585	
Progressive Totals:		Diff
North	142,027	-0.9%
South	219,268	0.5%
West	93,785	12.9%

AVERAGE AWEX MICRON PRICE GUIDES

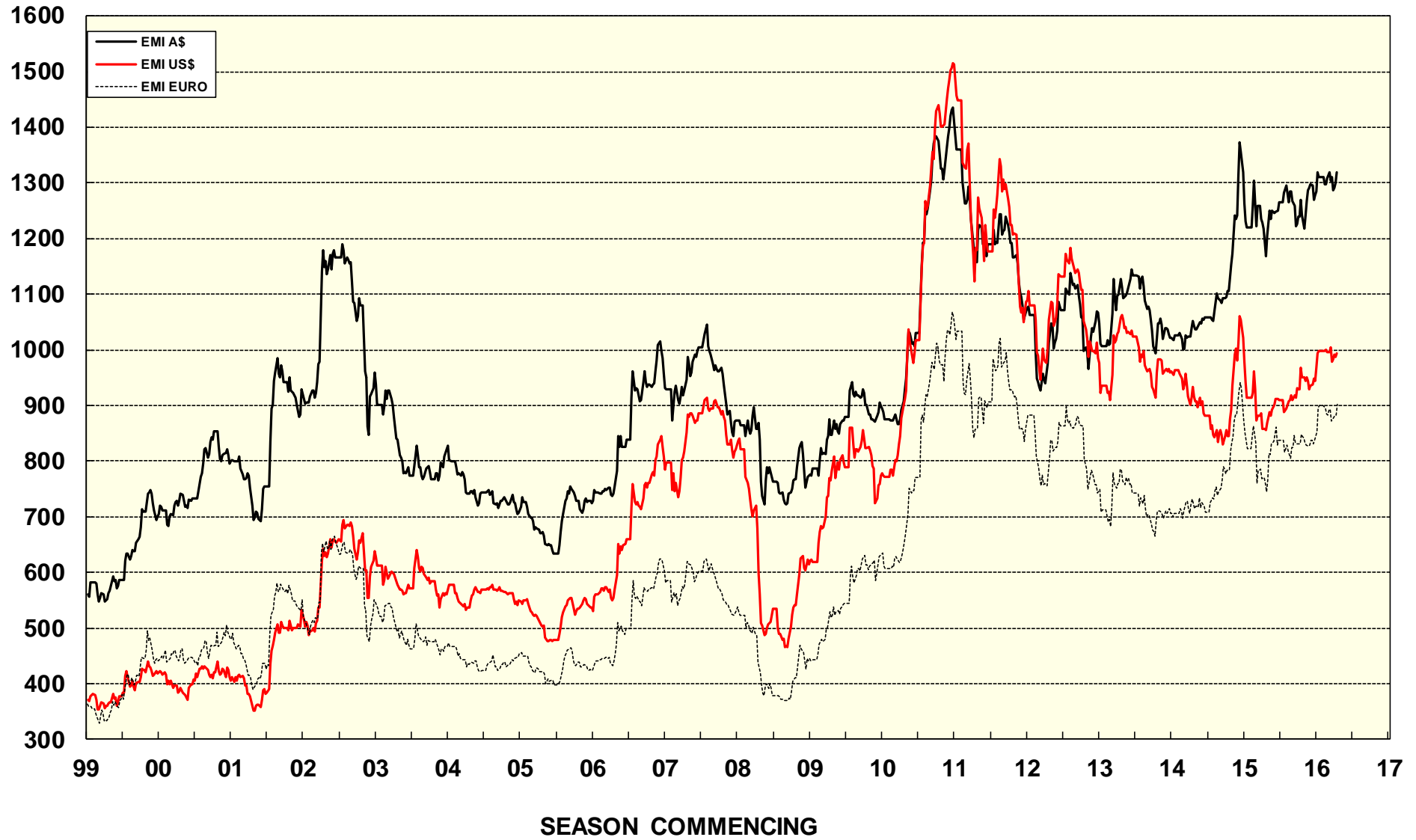
2016/17(black graph line) and 2015/16 (red graph line)



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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For further information

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