

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW Week Ending 16 September 2016 (Week 11)

The AWEX EMI finished 6¢ higher (+0.5%) in Australian currency and 26¢ lower (-2.6%) in US currency at sales in Sydney, Melbourne and Fremantle this week.

37,436 bales were on offer nationally, compared with 40,070 bales last sale. 5.3% of the offering was passed in.

AWEX reports that the value of the wool sold was \$55.8 million (\$1,574 per bale).

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 11)									
Centre	Last Sale		Day-to-Day Changes (Week 11)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	10	1305	No Sale	+11	-5	+6 (+0.5%)	1311	-26	-22
Northern	10	1330	No Sale	+18	-8	+10 (+0.8%)	1340	-23	-20
Southern	10	1289	No Sale	+6	-5	+1 (+0.1%)	1290	-28	-25
Western	10	1379	No Sale	+11	-6	+5 (+0.4%)	1384	-28	-24

Wool prices were again strongly influenced by changes in the US exchange rate. However, the rate moved down sharply this week, falling by 3.0% (2.29¢) to close at 74.69¢ on Thursday, compared with a rise of 2.1% last week. It was the largest weekly fall since mid-May 2013.

The fall appeared to be associated with global economic uncertainty early in the week, some of which was associated with uncertainty about the directions that Central Banks may take in the future; and renewed speculation about US interest rates. The uncertainty led to major falls in share markets on Monday.

While it is difficult to be sure of all the reasons why prices fall, it is not unusual for an increase in global economic uncertainty to be accompanied by a fall in global commodity prices and a fall in the US exchange rate that protects prices in Australian currency.

Looking at changes in the different wool types, the fine Merinos did better than the medium and broad Merinos, as was the case last week. It was also a good week for Merino skirtings, crossbreds and oddments.

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	134¢	164¢	182¢	189¢	190¢
South	123¢	144¢	163¢	168¢	169¢

Market Indicator	Changes From			
	Four Sales Ago Week 07	Start of the Season	Week 11 Last Year	Season Average to Week 11 Last Year
Eastern Market Indicator	+13 (+1.0%)	-5 (-0.4%)	+51 (+4.0%)	+57 (+4.6%)
Western Market Indicator	-7 (-0.5%)	-35 (-2.5%)	+72 (+5.5%)	+112 (+8.7%)

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	+9	+16	+28	+17	+1	-4	-6	-11	-23	
Change %		+0.7%	+0.6%	+1.0%	+1.9%	+1.1%	+0.1%	-0.3%	-0.4%	-0.8%	-1.6%	
Since Start of the Season												
Change ¢	+12	+22	+23	+21	+16	0	-27	-43	-51	-44	-53	
Change %	+0.8%	+1.4%	+1.5%	+1.4%	+1.1%	0.0%	-1.8%	-2.9%	-3.4%	-3.0%	-3.6%	
Since Same Week Last Year												
Change ¢	+94	+114	+118	+107	+106	+124	+115	+113	+111	+112	+99	+118
Change %	+6.3%	+7.7%	+8.0%	+7.3%	+7.4%	+9.0%	+8.5%	+8.5%	+8.4%	+8.6%	+7.6%	+9.4%

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 ¢	+11	+13	+11	+6		+1
Change %	+0.9%	+1.1%	+1.4%	+1.0%		+0.1%
Since Start of the Season						
Change ¢	+54	+72	+26	-12		-42
Change %	+4.5%	+6.5%	+3.4%	-1.9%		-3.9%
Since Same Week Last Year						
Change ¢		+35	-170	-266		-44
Change %		+3.1%	-17.9%	-29.7%		-4.0%

Average Merino Cardings Price Guide

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AWIS WOOL MARKET REVIEW Week Ending 16 September 2016 (Week 11)

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 July ABS export data.

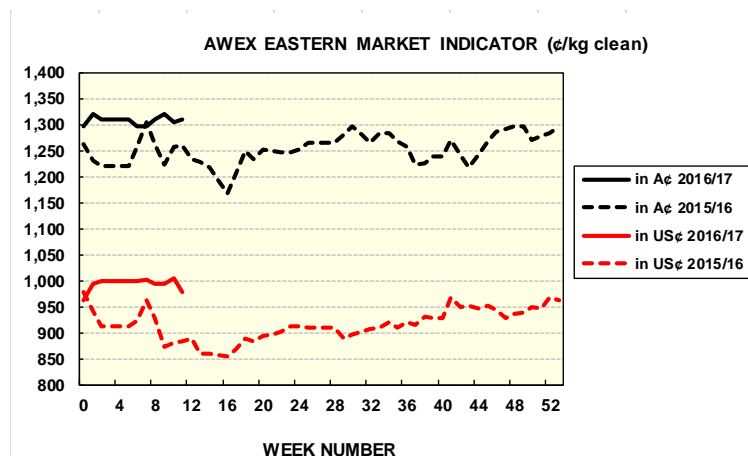
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re- Offered	Bales Sold
North	11,622	10,322	6.1%	1.5%	2.9%	9,693
South	20,101	19,519	4.8%	2.8%	3.3%	18,573
West	8,347	7,595	5.5%	0.9%	3.2%	7,181
Australia	40,070	37,436	5.3%	2.0%	3.1%	35,447

Actual and % Changes in the Progressive Offerings from Last Year	
+5,841	+5.7%
+5,363	+3.8%
+8,402	+15.6%
+19,606	+6.6%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 12	Week 13	Week 14	Differences
North	8,008	9,670	10,850	-8.6%
South	26,100	20,025	25,143	+24.9%
West	7,785	8,220	8,020	+15.2%
New Zealand	2,250			
Australia	41,893	37,915	44,013	+13.5%
Differences	+12.6%	+14.5%	+13.5%	

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	76.98	-0.46	-1.19	+0.03	-0.56	-0.11	-2.29 (-3.0%)	74.69	74.69	77.11
Euro	68.41	-0.59	-0.82	+0.11	-0.47	-0.24	-2.01 (-2.9%)	66.40	66.40	68.98

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to July	
	July 2016	July to July This Season	July to July Last Season	By Weight	By Value
China	73.9%	73.9%	74.8%	-6.2%	-10.2%
India	8.5%	8.5%	10.5%	-22.9%	-19.2%
Italy	5.3%	5.3%	5.2%	-1.8%	+17.2%
Czech Republic	5.5%	5.5%	2.0%	+155.0%	+155.2%
Malaysia	1.1%	1.1%	1.7%	-37.6%	-44.3%
Korea	1.7%	1.7%	1.4%	+13.9%	+16.6%
Taiwan	1.2%	1.2%	0.8%	+45.6%	+52.7%
Egypt	1.2%	1.2%	1.9%	-41.3%	-41.8%
Change all Countries				-5.0%	-7.4%



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

SEASON AVERAGES			
Region	This Year	Diff	
North	1333	+54	
South	1293	+55	
West	1399	+91	

THIS YEAR'S EMI	
This Week	1311
First Week	1320
Low (0/01)	1297
High (0/01)	1320

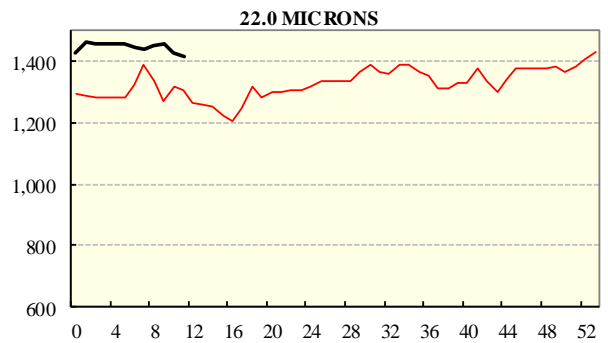
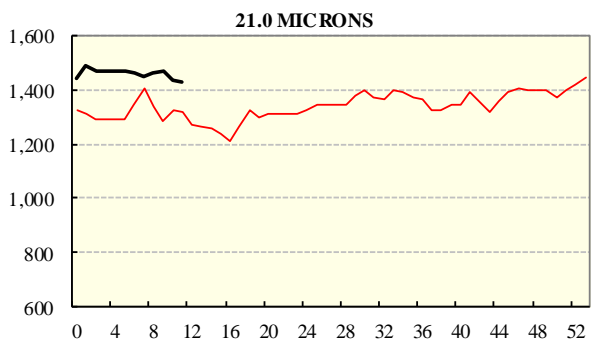
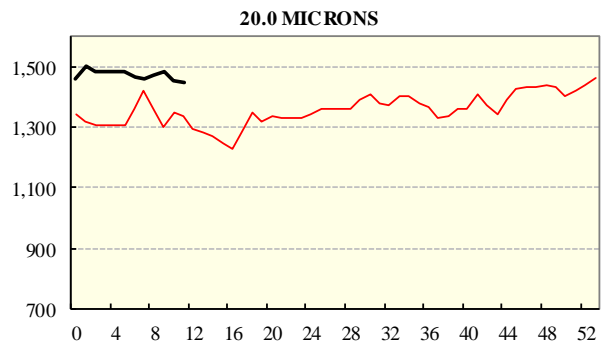
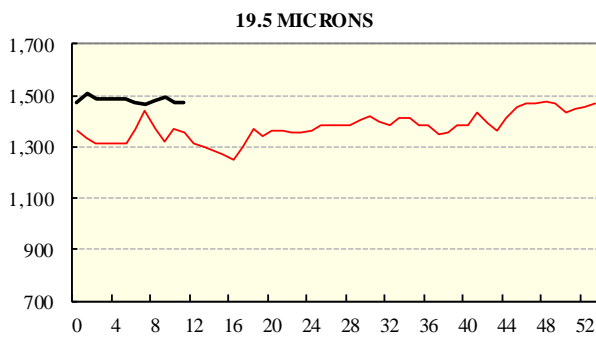
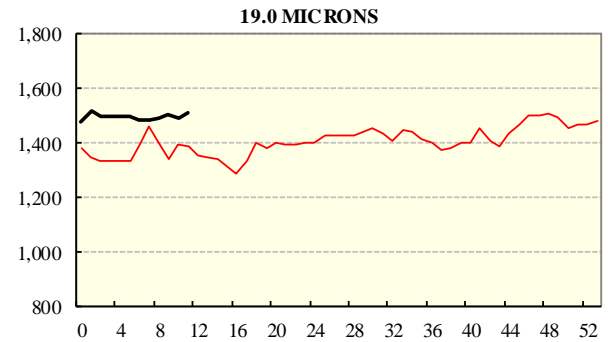
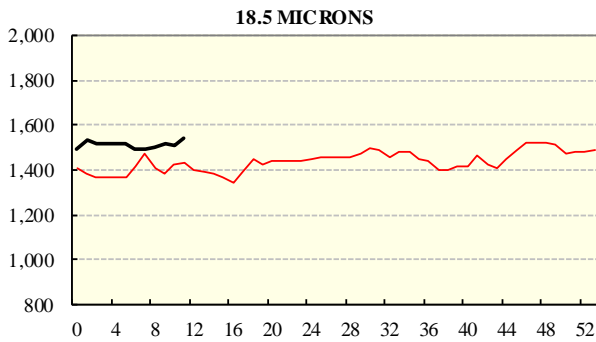
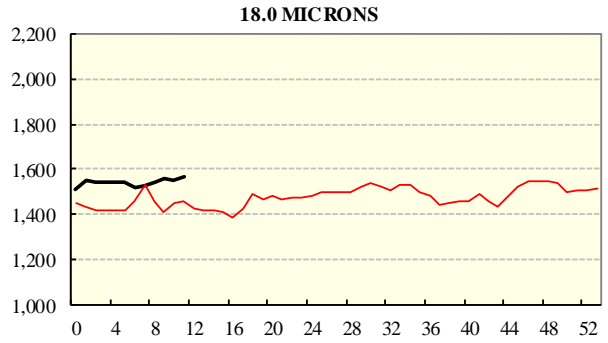
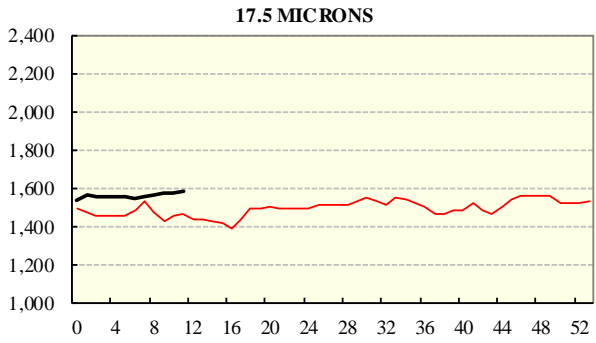
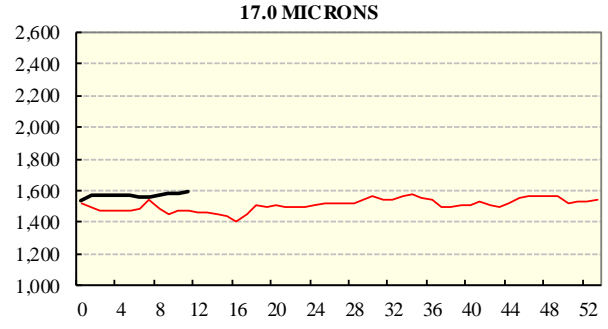
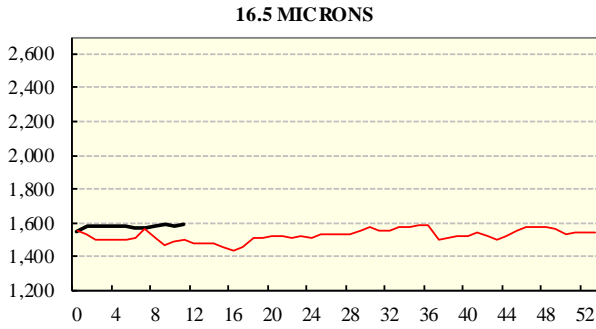
COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1340	3
South	1290	-11
West	1384	-35

BALES OFFERED	
This Year	317,266
Last Year	297,660
Difference	19,606
% Diff	6.6%
FIRST OFFERED BALES	
Difference	7.9%
% of Offering	95.8%

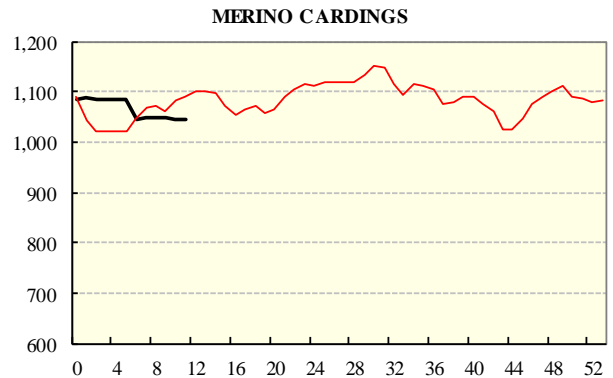
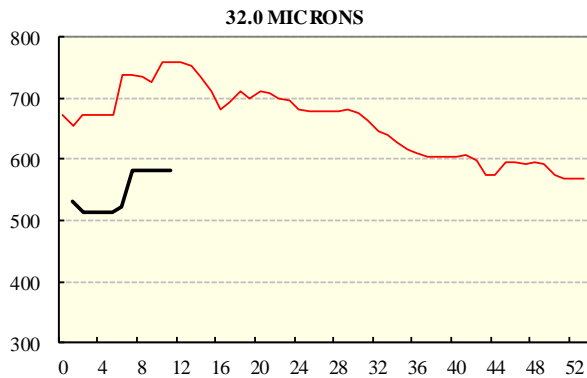
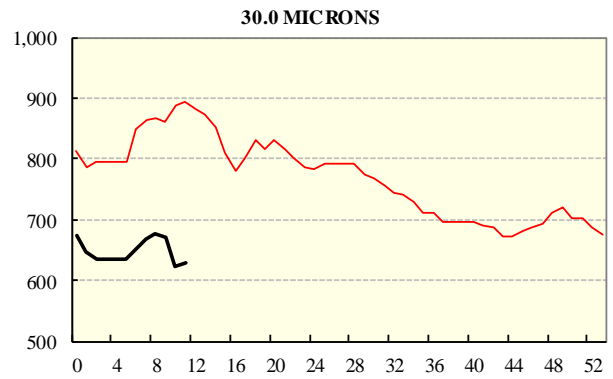
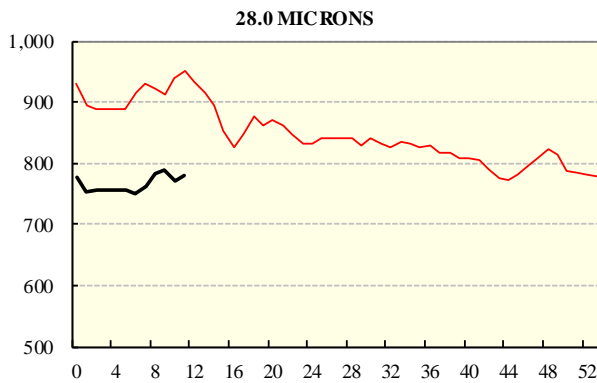
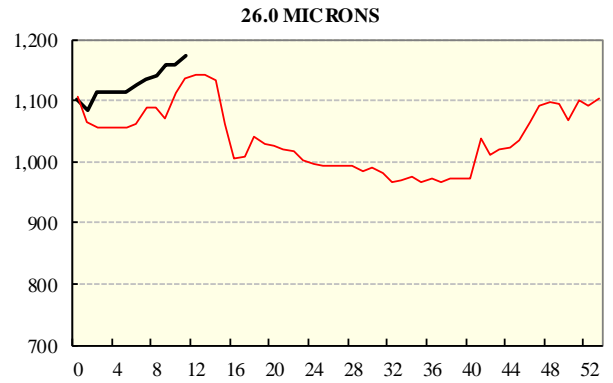
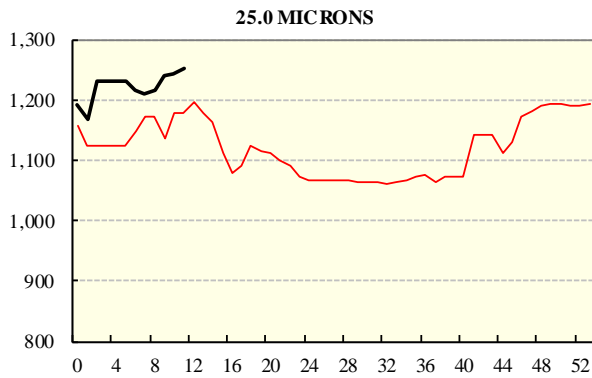
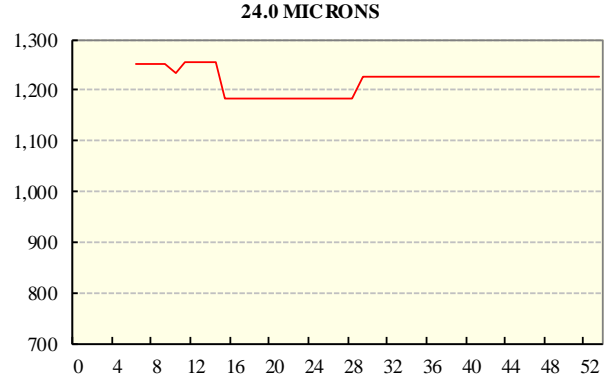
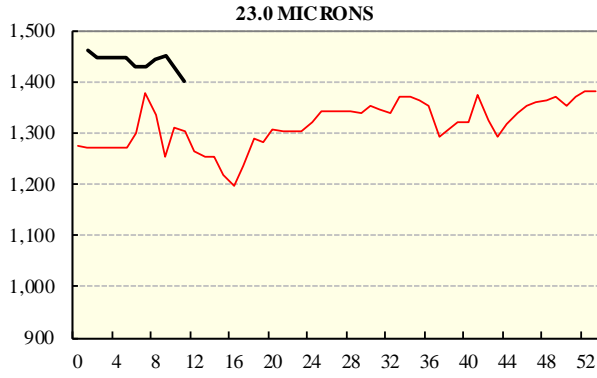
REGION BALES		
This Sale:		
North	63	
South	10,322	
West	19,519	
Progressive Totals:		Diff
North	108,473	5.7%
South	146,370	3.8%
West	62,423	15.6%

AVERAGE AWEX MICRON PRICE GUIDES

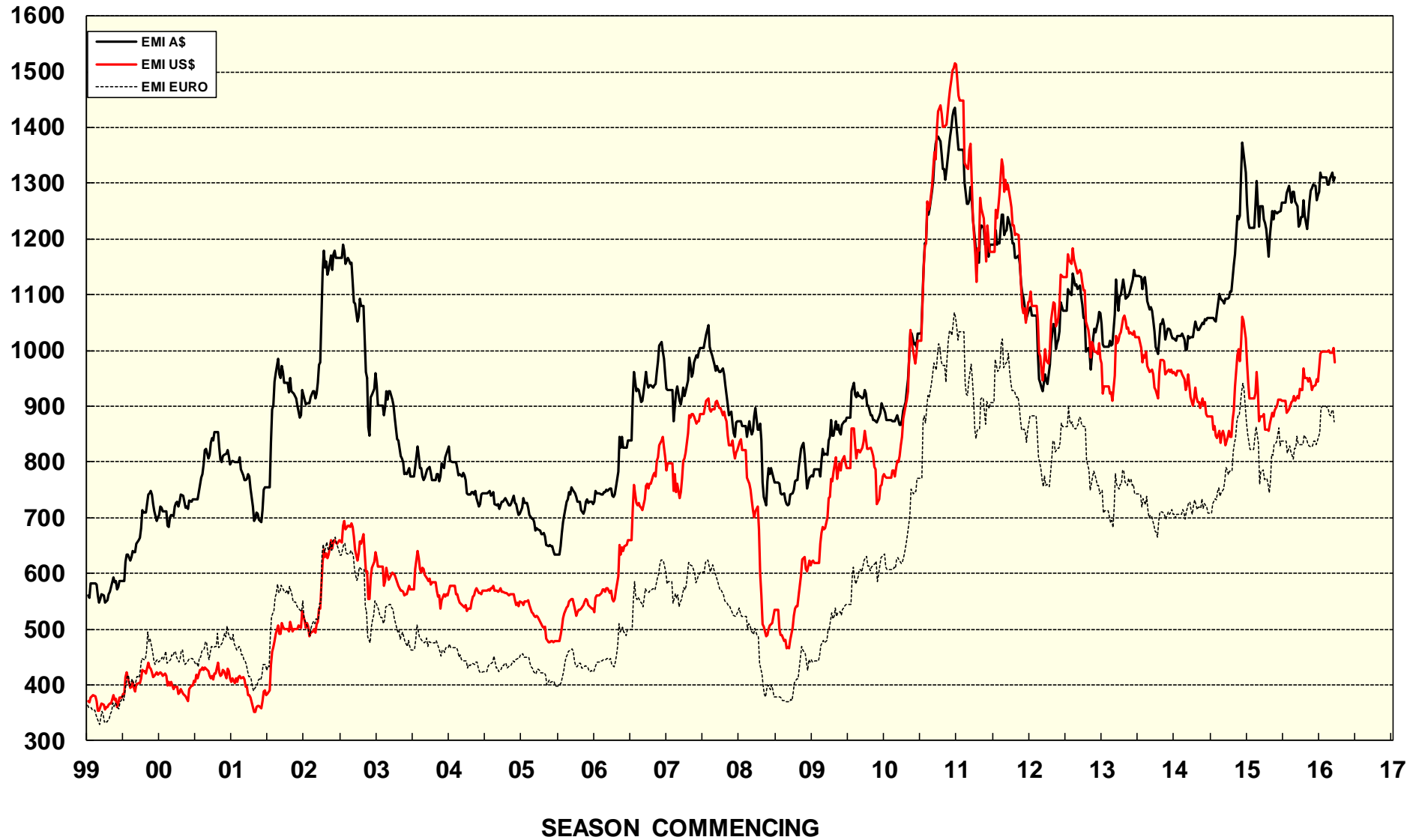
2016/17(black graph line) and 2015/16 (red graph line)



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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