

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW Week Ending 17 March 2017 (Week 37)

The AWEX EMI finished 24¢ higher (+1.6%) in Australian currency and 43¢ higher (+3.8%) in US currency at sales in Sydney, Melbourne and Fremantle this week.

42,732 bales were on offer nationally, compared with 45,999 bales last sale. 6.7% of the offering was passed in. It included 5.8% of the Merino wool and 10.5% of the crossbred wool on offer.

AWEX reports that the value of the wool sold was \$68.2 million (\$1,711 per bale, the highest for the season).

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 37)									
Centre	Last Sale		Day-to-Day Changes (Week 37)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	36	1522	No Sale	+14	+10	+24 (+1.6%)	1546	+43	+21
Northern	36	1605	No Sale	+18	+13	+31 (+1.9%)	1636	+50	+26
Southern	36	1469	No Sale	+11	+8	+19 (+1.3%)	1488	+38	+17
Western	36	1556	No Sale	+9	-11	-2 (-0.1%)	1554	+24	+3

Once again the market was driven by strong demand at the fine end, where the average AWEX MPGs rose by 78¢ at 18.5 microns and progressively moved up to 97¢ at 16.5 microns. The difference between the average MPGs at 16.5 and 22 microns jumped the 900¢ barrier in both the North (930¢) and the South (900¢). The corresponding figures in the last sale prior to Christmas were 426¢ and 399¢ respectively.

The price in US currency (1187¢) is the highest since May 2012 when the US Exchange Rate was 103 cents.

Merino price differences between this week and the previous week fell away as Fibre Diameter increased, consistent with the pattern seen in most of the recent weeks. Fine crossbreds did well, while the medium and broader ones were largely unchanged.

The US Exchange Rate finished 1.64¢ (2.2%) higher to close at 76.78¢ on Thursday. The increase was contrary to what might normally be expected as the United States Federal Reserve lifted interest rates this week. Financial analysts attributed the rise in the US Exchange Rate to a weaker US currency and a lift in some commodity prices (particularly iron ore).

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	679¢	804¢	855¢	887¢	930¢
South	682¢	789¢	846¢	862¢	900¢

Market Indicator	Changes From			
	Four Sales Ago Week 33	Start of the Season	Week 37 Last Year	Season Average to Week 37 Last Year
Eastern Market Indicator	+106 (+7.4%)	+230 (+17.5%)	+323 (+26.4%)	+115 (+9.2%)
Western Market Indicator	+86 (+5.9%)	+135 (+9.5%)	+278 (+21.8%)	+132 (+10.2%)

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 ¢	+97	+82	+79	+84	+78	+36	+19	+4	+4	-10		
Change %	+4.3%	+3.7%	+3.6%	+3.9%	+3.9%	+1.9%	+1.1%	+0.2%	+0.3%	-0.7%		
Since Start of the Season												
Change ¢	+761	+731	+714	+676	+572	+438	+277	+138	+20	-41		
Change %	+48.1%	+46.6%	+45.7%	+43.7%	+37.6%	+29.0%	+18.5%	+9.3%	+1.4%	-2.8%		
Since Same Week Last Year												
Change ¢	+837	+807	+807	+781	+697	+577	+431	+300	+179	+111		
Change %	+55.6%	+54.0%	+54.9%	+54.2%	+49.9%	+42.1%	+32.0%	+22.6%	+13.5%	+8.5%		

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 ¢	+14	+20	-3	-2	+2	-3
Change %	+1.3%	+2.0%	-0.4%	-0.3%	+0.5%	-0.2%
Since Start of the Season						
Change ¢	-76	-81	-3	-56	-82	+146
Change %	-6.3%	-7.4%	-0.4%	-8.7%	-15.7%	+13.4%
Since Same Week Last Year						
Change ¢	+59	+53	-65	-110	-164	+157
Change %	+5.5%	+5.5%	-8.0%	-15.8%	-27.1%	+14.6%

Average Merino Cardings Price Guide

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AWIS WOOL MARKET REVIEW

Week Ending 17 March 2017 (Week 37)

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 January ABS export data.

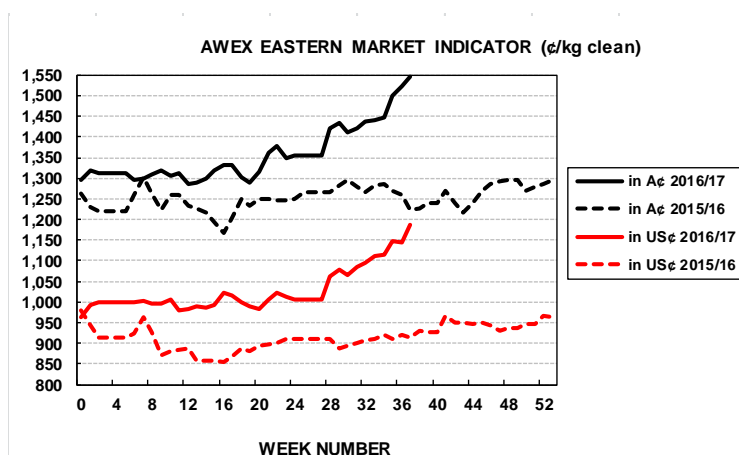
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re- Offered	Bales Sold
North	11,260	10,680	4.2%	0.7%	3.5%	10,230
South	24,073	21,378	7.7%	1.2%	5.0%	19,724
West	10,666	10,674	7.1%	3.1%	2.8%	9,912
Australia	45,999	42,732	6.7%	1.6%	4.1%	39,866

Actual and % Changes in the Progressive Offerings from Last Year	
+26,022	+7.3%
+25,542	+4.0%
+20,970	+8.0%
+72,534	+5.7%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 38	Week 39	Week 40	Differences
North	13,058	10,920	11,300	+10.5%
South	24,560	21,070	22,140	+11.8%
West	13,637	10,050	9,450	+19.5%
New Zealand				
Australia	51,255	42,040	42,890	+13.3%
Differences	+32.0%	-3.4%		

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	75.14	+0.08	+0.44	-0.03	+0.11	+1.04	+1.64 (+2.2%)	76.78	73.75	77.13
Euro	71.35	-0.37	-0.27	+0.28	+0.36	+0.25	+0.25 (+0.4%)	71.60	66.40	72.77

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to January	
	January 2017	July to January This Season	July to January Last Season	By Weight	By Value
China	85.7%	78.6%	73.4%	+17.0%	+23.3%
India	2.5%	6.2%	7.8%	-13.5%	-6.1%
Italy	2.7%	4.7%	5.6%	-7.4%	+1.1%
Czech Republic	3.7%	4.8%	5.4%	-3.4%	-1.4%
Malaysia	0.6%	0.9%	1.6%	-42.1%	-46.9%
Korea	1.6%	1.4%	1.7%	-4.7%	-7.0%
Taiwan	0.1%	0.7%	0.9%	-15.0%	-11.2%
Egypt	0.7%	0.9%	1.0%	-11.8%	-1.3%
Change all Countries				+9.3%	+14.1%



AVERAGE EMI	
This Year	1363
Last Year	1254
2014/15	1102
2013/14	1070
2012/13	1035

SEASON AVERAGES		
Region	This Year	Diff
North	1414	+135
South	1330	+92
West	1427	+119

THIS YEAR'S EMI	
This Week	1546
First Week	1320
Low (23/09)	1287
High (17/03)	1546

COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1636	+299
South	1488	+187
West	1554	+135

BALES OFFERED	
This Year	1,336,578
Last Year	1,264,044
Difference	+72,534
% Diff	+5.7%
FIRST OFFERED BALES	
Difference	+5.8%
% of Offering	95.3%

REGION BALES		
This Sale:		Diff
North	10,680	
South	21,378	
West	10,674	
Progressive Totals:		Diff
North	383,526	+7.3%
South	669,545	+4.0%
West	283,507	+8.0%

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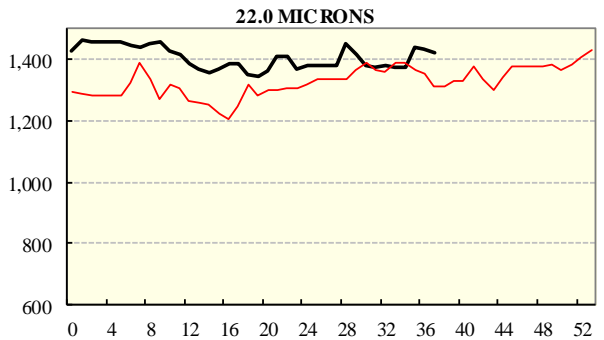
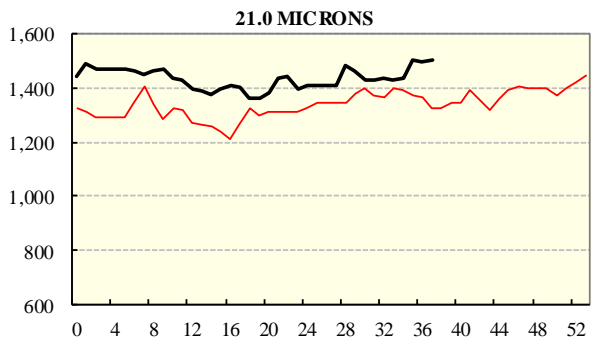
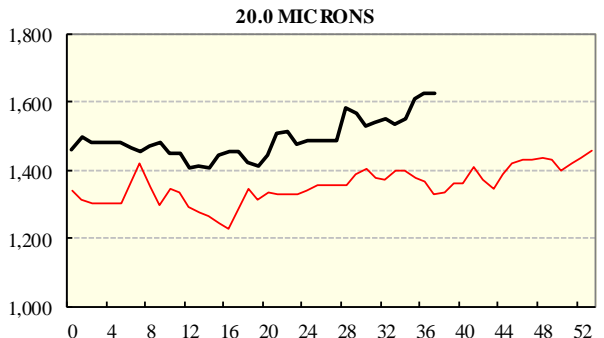
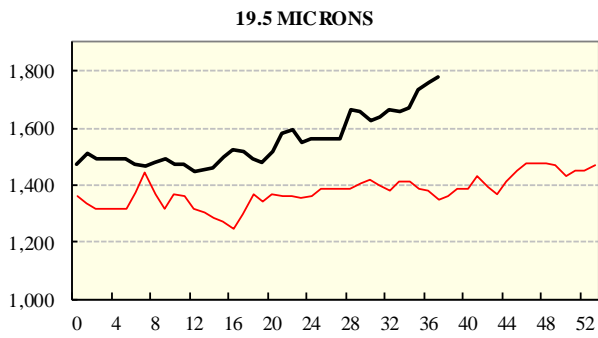
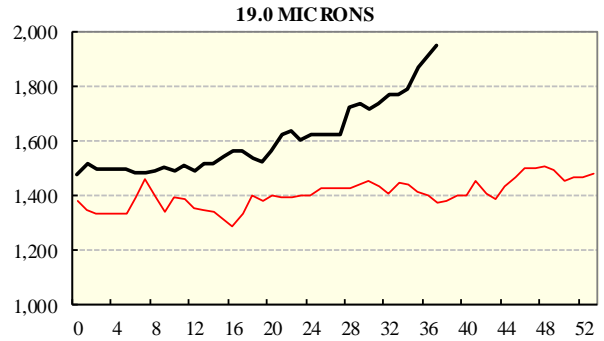
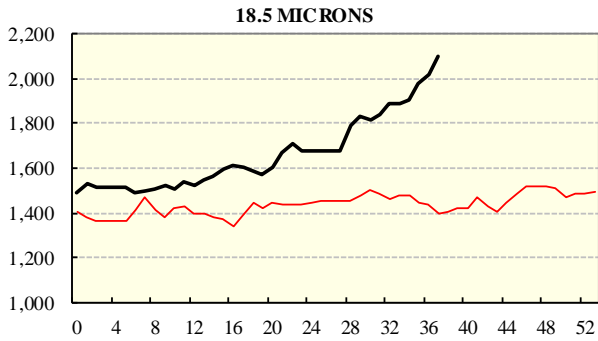
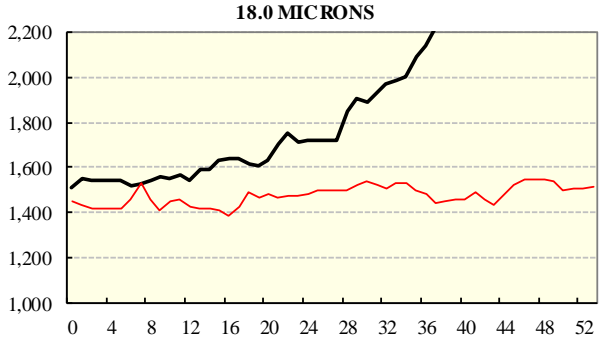
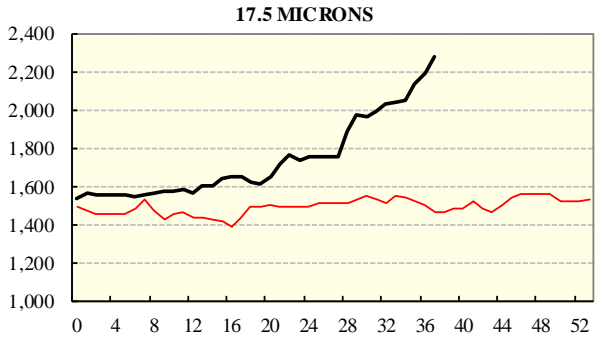
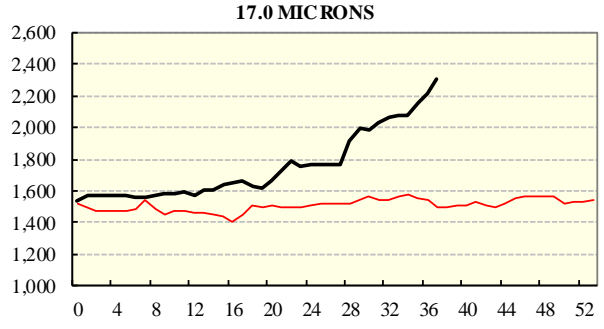
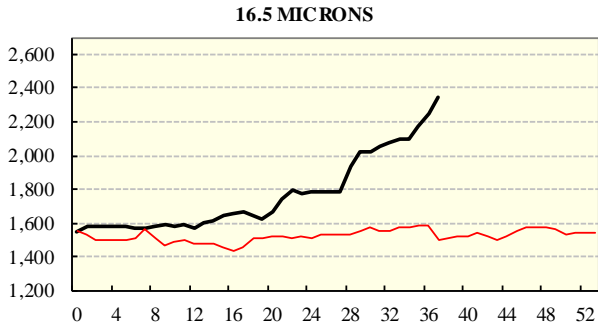
For further information

Peter Morgan

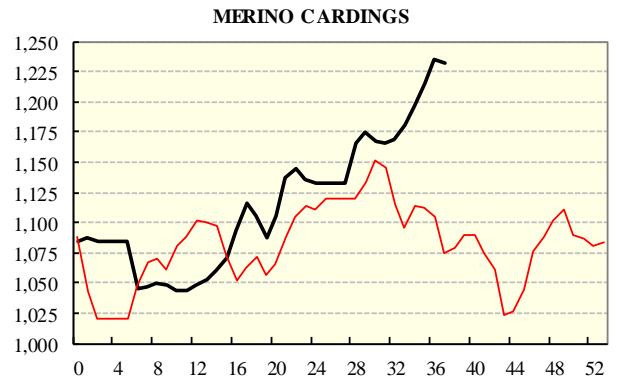
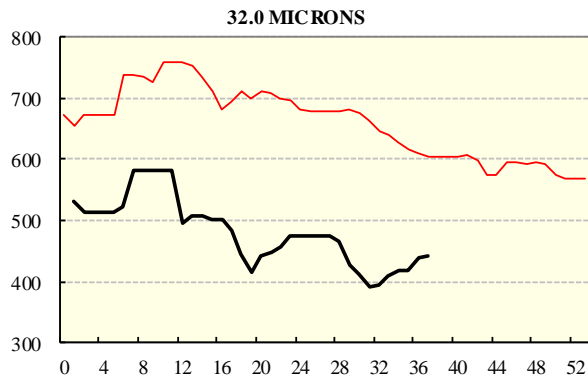
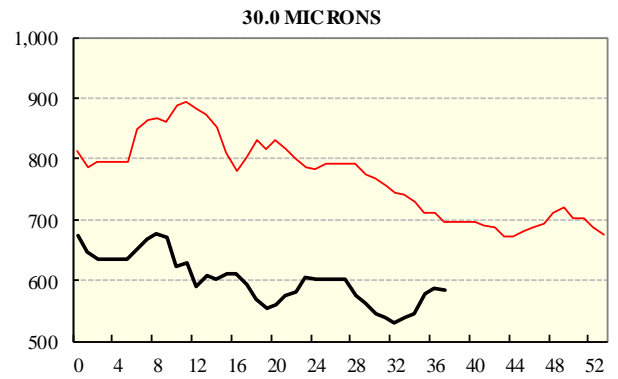
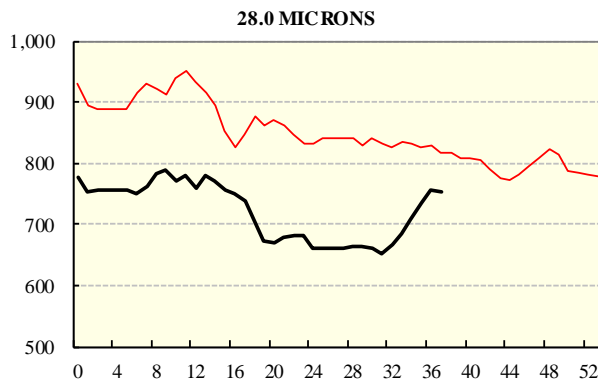
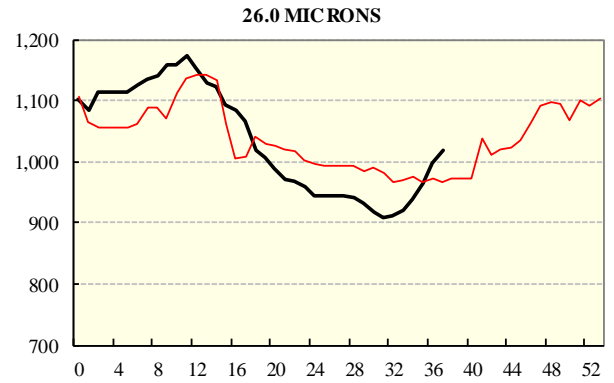
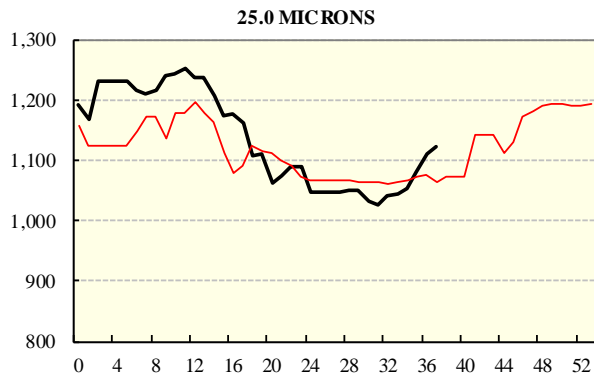
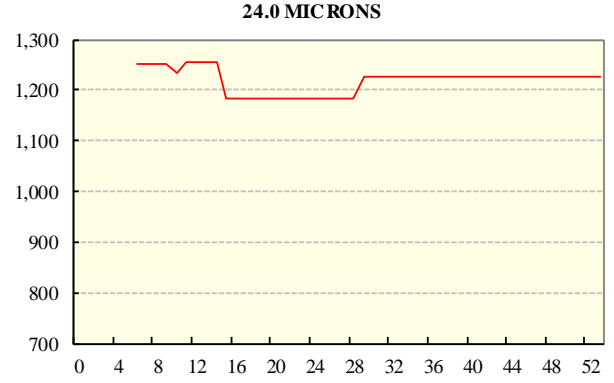
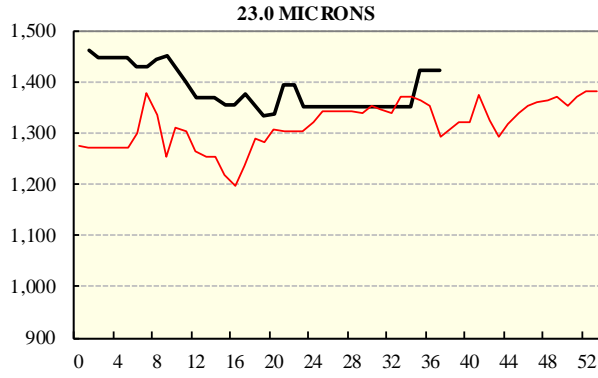
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AVERAGE AWEX MICRON PRICE GUIDES

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

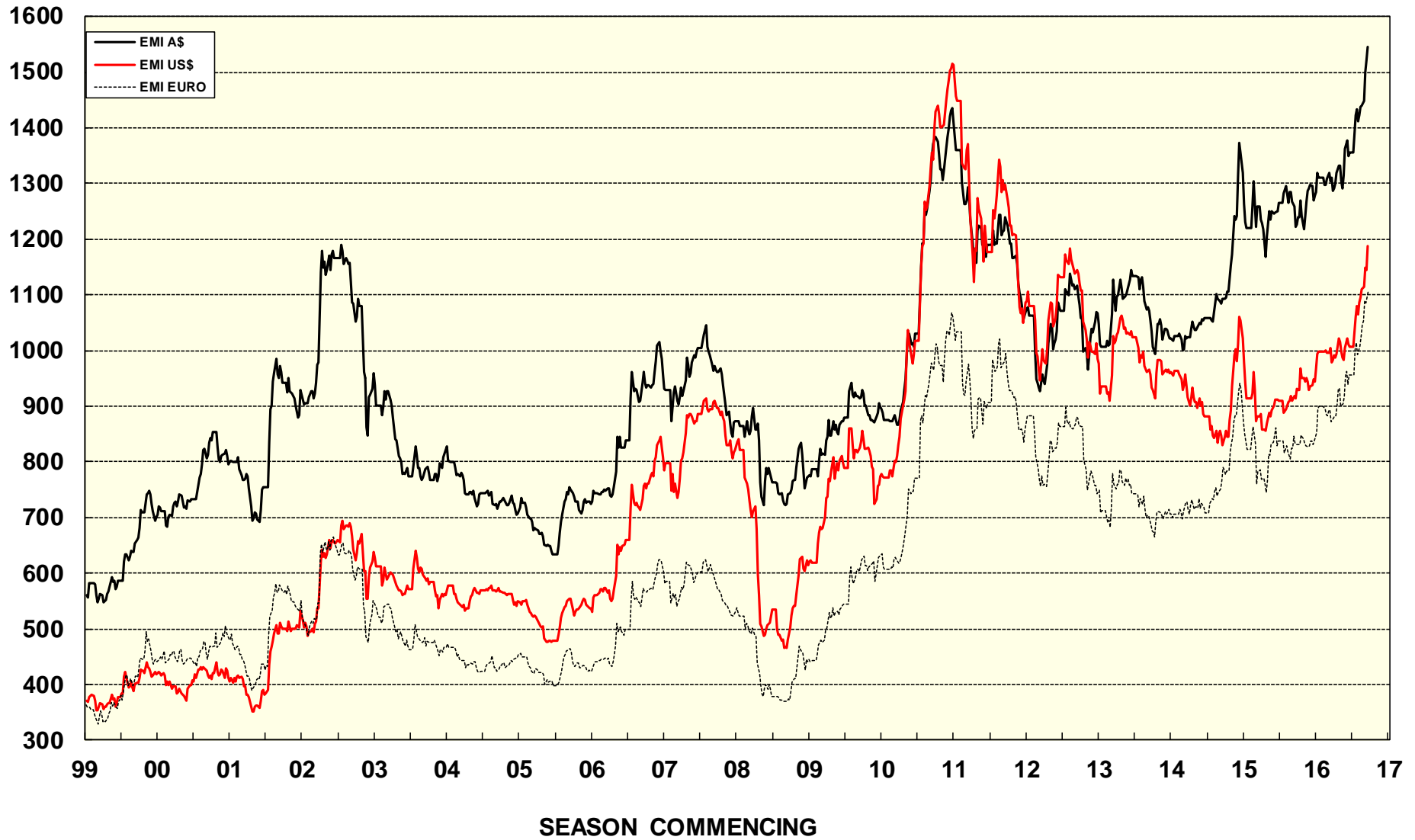


AVERAGE AWEX MICRON PRICE GUIDES
 2016/17(black graph line) and 2015/16 (red graph line)



EASTERN MARKET INDICATOR (EMI) SINCE 1999/00 (¢/kg clean)

(In Australian, United States and European Currencies)



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