

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW

Week Ending 18 November 2016 (Week 20)

The AWEX EMI finished 24¢ higher (+1.9%) in Australian currency and 5¢ lower (-0.5%) in US currency at sales in Sydney, Melbourne and Fremantle this week.

47,190 bales were on offer nationally, compared with 47,139 bales last sale. 5.8% of the offering was passed in.

AWEX reports that the value of the wool sold was \$67.7 million (\$1,524 per bale).

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 20)									
Centre	Last Sale		Day-to-Day Changes (Week 20)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	19	1290	+2	+7	+15	+24 (+1.9%)	1314	-5	+14
Northern	19	1331	No Sale	+12	+16	+28 (+2.1%)	1359	-4	+17
Southern	19	1264	+4	+4	+13	+21 (+1.7%)	1285	-7	+12
Western	19	1353	No Sale	+19	+10	+29 (+2.1%)	1382	-4	+17

The market opened on a weaker note in US currency in Melbourne on Tuesday, but was up slightly in A\$ due to the fall in the US Exchange Rate. Wednesday and Thursday's markets saw rises in the EMI in US currency that were magnified in Australian currency by further falls in the exchange rate (see below).

The sale finished very strongly in Australian currency, with gains in all Merino types and nearly all micron ranges. The greatest gains were at the fine end of the Merino wools. This led to the difference between the AWEX 16.5 and 22.0 MPG reaching 310¢, the highest value since the end of the 2013/14 season. Merino skirtings followed the fleece types, Oddments also did well, with average AWEX Merino Cardings Price Guide rising by 18¢ (+1.7%) to finish at 1106¢.

The crossbreds steadied on Thursday after falls earlier in the week

The US Exchange Rate eased throughout the week. It finished 1.83¢ (-2.4%) lower to close at 74.78¢ on Thursday. It was the first time that it had been in the 74 cent range since mid-September. Financial analysts have attributed the fall to a strengthening of the US currency following further speculation that the United States Federal Reserve will lift the official interest rate in December.

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	243¢	268¢	290¢	299¢	310¢
South	251¢	273¢	284¢	295¢	No 16.5µ MPG

Market Indicator	Changes From			
	Four Sales Ago Week 16	Start of the Season	Week 20 Last Year	Season Average to Week 20 Last Year
Eastern Market Indicator	-17 (-1.3%)	-2 (-0.2%)	+63 (+5.0%)	+73 (+5.9%)
Western Market Indicator	-9 (-0.6%)	-37 (-2.6%)	+93 (+7.2%)	+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 ¢	+42	+38	+35	+27	+33	+38	+39	+33	+20	+16	+5	
Change %	+2.6%	+2.3%	+2.2%	+1.7%	+2.1%	+2.5%	+2.6%	+2.3%	+1.5%	+1.2%	+0.4%	
Since Start of the Season												
Change ¢	+89	+88	+85	+84	+83	+54	+15	-45	-102	-101	-117	
Change %	+5.6%	+5.6%	+5.4%	+5.4%	+5.4%	+3.6%	+1.0%	-3.0%	-6.9%	-6.9%	-8.0%	
Since Same Week Last Year												
Change ¢	+152	+151	+145	+145	+163	+164	+150	+110	+65	+58	+29	
Change %	+10.0%	+10.0%	+9.6%	+9.8%	+11.3%	+11.7%	+11.0%	+8.2%	+4.9%	+4.5%	+2.2%	

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 ¢	-48	-18	-2	+6	+27	+18
Change %	-4.3%	-1.8%	-0.3%	+1.1%	+6.5%	+1.7%
Since Start of the Season						
Change ¢	-138	-112	-84	-82	-81	+20
Change %	-11.5%	-10.2%	-11.1%	-12.8%	-15.5%	+1.8%
Since Same Week Last Year						
Change ¢	-52	-39	-199	-271	-269	+41
Change %	-4.7%	-3.8%	-22.9%	-32.7%	-37.8%	+3.8%

Average Merino Cardings Price Guide

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AWIS WOOL MARKET REVIEW Week Ending 18 November 2016 (Week 20)

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 September ABS export data.

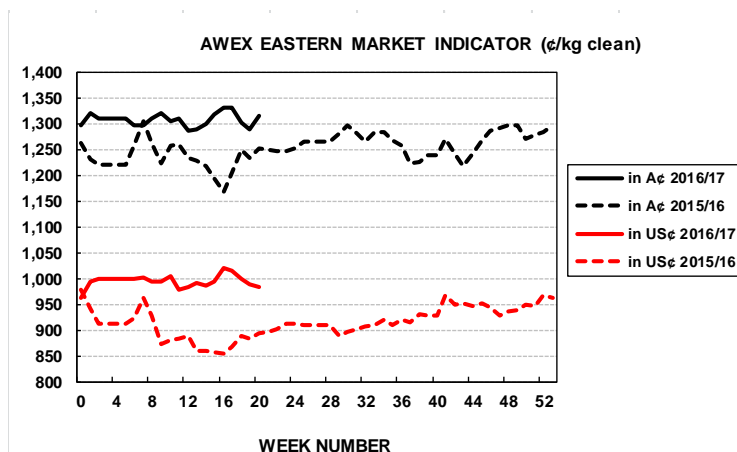
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re-Offered	Bales Sold
North	14,444	12,258	3.9%	0.8%	5.2%	11,784
South	21,852	26,930	6.7%	2.7%	4.8%	25,131
West	10,843	8,002	6.1%	3.0%	3.6%	7,516
Australia	47,139	47,190	5.8%	2.2%	4.7%	44,431

Actual and % Changes in the Progressive Offerings from Last Year	
+7,525	+3.8%
+192	+0.1%
+13,963	+11.1%
+21,680	+3.3%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 21	Week 22	Week 23	Differences
North	12,935	12,030	10,620	+18.7%
South	26,428	25,270	26,011	+23.3%
West	9,919	8,020	8,120	-0.7%
New Zealand	2,100		1,000	
Australia	49,282	45,320	44,751	+16.8%
Differences	+22.0%	+8.6%	+20.4%	

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	76.61	-0.43	-0.72	+0.12	-0.06	-0.74	-1.83 (-2.4%)	74.78	74.69	77.11
Euro	70.11	-0.25	+0.02	+0.43	0.00	-0.41	-0.21 (-0.3%)	69.90	66.40	70.11

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to September	
	September 2016	July to September This Season	July to September Last Season	By Weight	By Value
China	75.3%	75.2%	73.9%	+7.2%	+7.5%
India	7.2%	7.4%	9.3%	-16.2%	-11.8%
Italy	6.3%	5.9%	5.5%	+14.3%	+25.5%
Czech Republic	5.5%	5.4%	3.8%	+50.3%	+56.3%
Malaysia	0.5%	0.8%	1.4%	-37.7%	-49.2%
Korea	1.2%	1.5%	1.6%	-5.4%	-7.4%
Taiwan	1.1%	0.9%	0.9%	+0.3%	+5.4%
Egypt	1.0%	1.0%	1.4%	-22.9%	-21.2%
Change all Countries				+5.4%	+5.9%



AVERAGE EMI	
This Year	1308
Last Year	1254
2014/15	1102
2013/14	1070
2012/13	1035

SEASON AVERAGES		
Region	This Year	Diff
North	1341	+62
South	1286	+48
West	1383	+75

THIS YEAR'S EMI	
This Week	1314
First Week	1320
Low (26/10)	1287
High (17/10)	1331

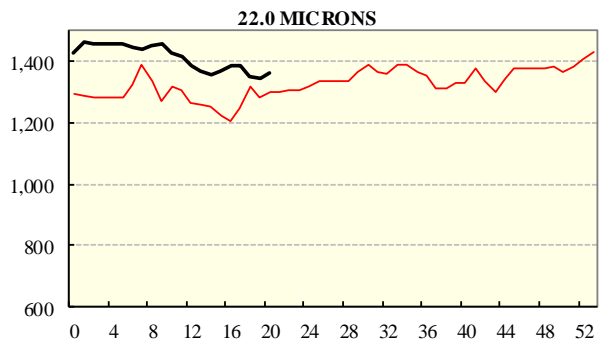
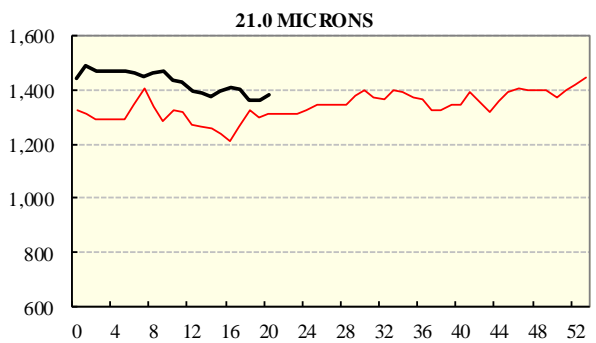
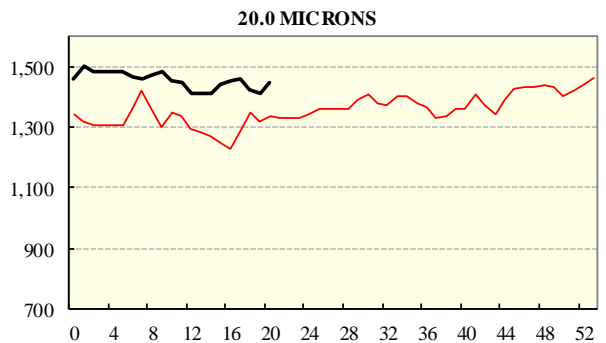
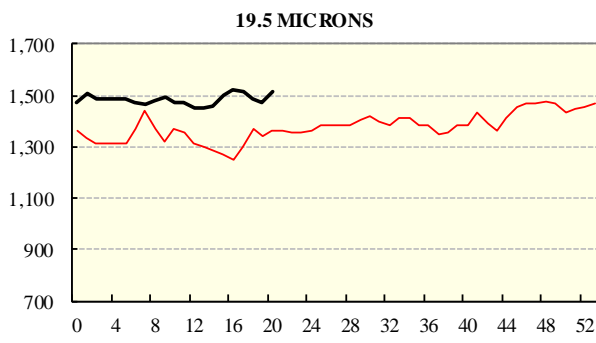
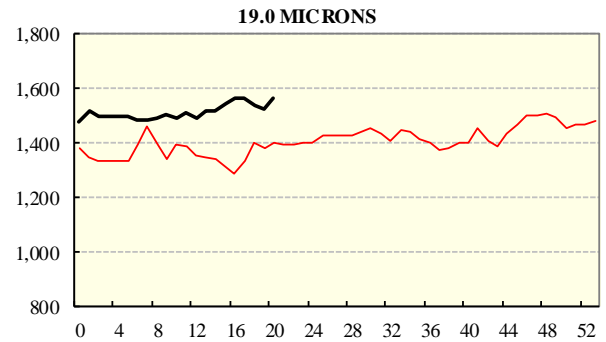
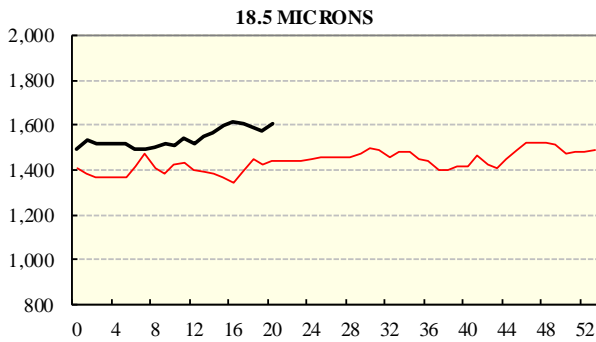
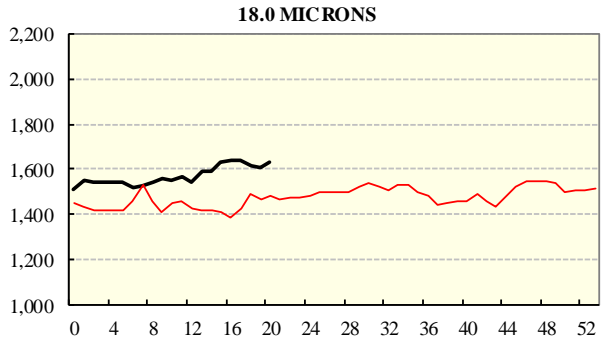
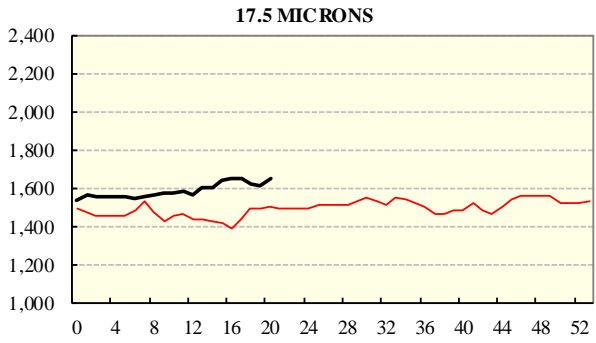
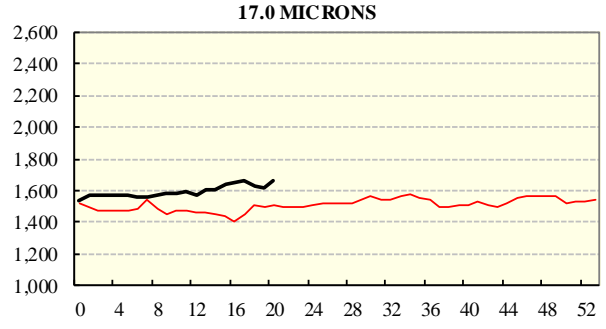
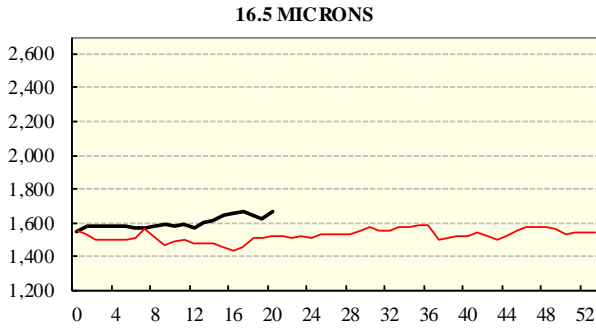
COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1359	+22
South	1285	-16
West	1382	-37

BALES OFFERED	
This Year	672,131
Last Year	650,451
Difference	+21,680
% Diff	+3.3%
FIRST OFFERED BALES	
Difference	+4.4%
% of Offering	96.1%

REGION BALES		
This Sale:		
North	12,258	
South	26,930	
West	8,002	
Progressive Totals:		
North	204,254	+3.8%
South	327,666	+0.1%
West	140,211	+11.1%

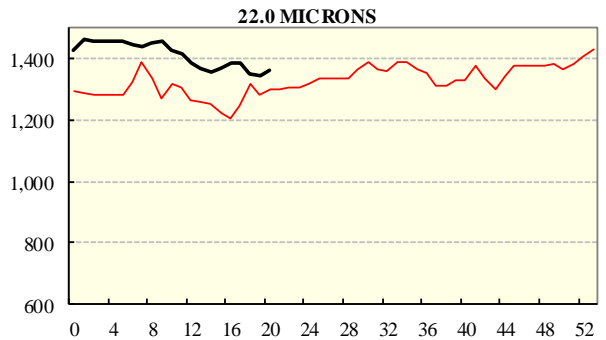
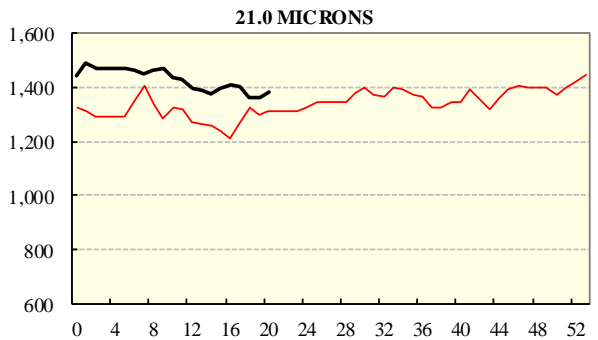
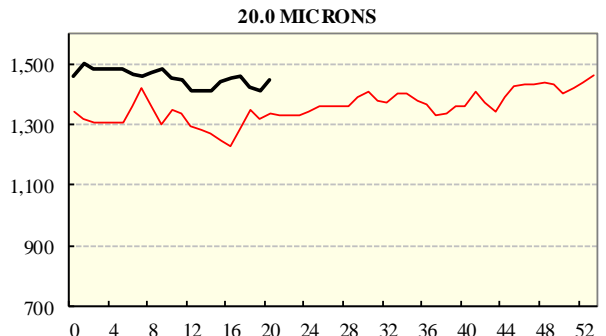
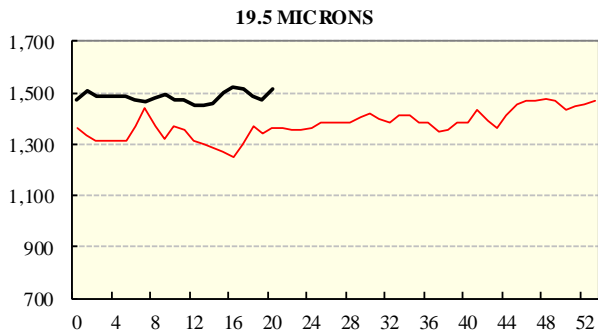
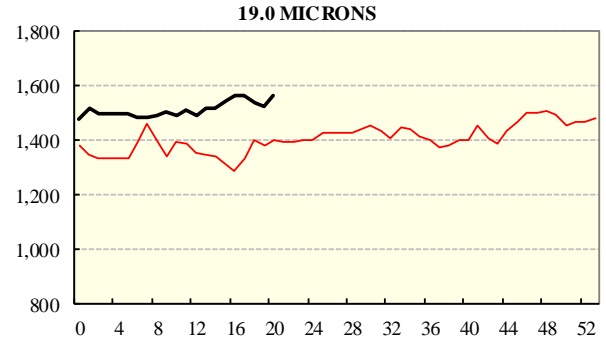
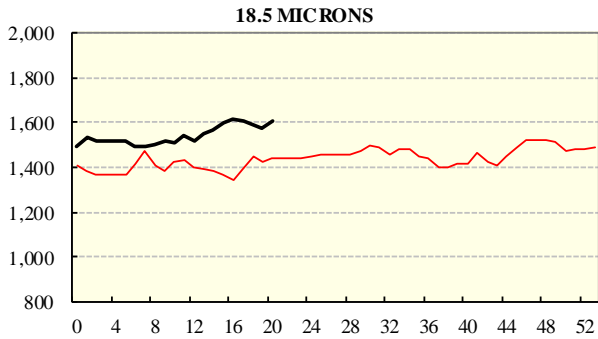
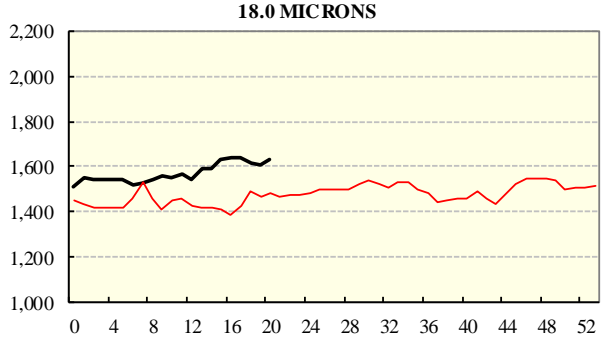
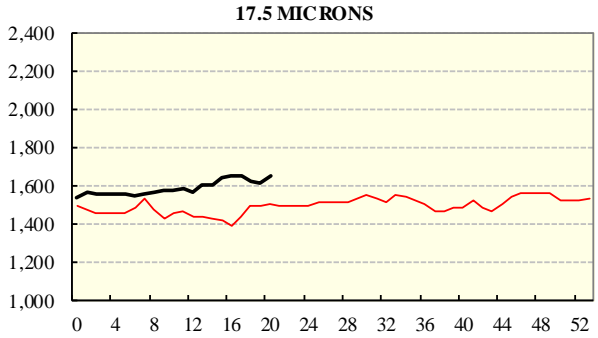
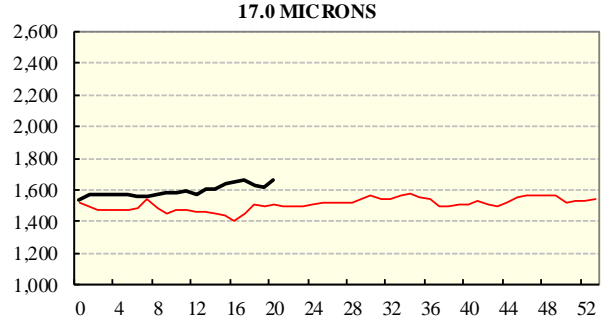
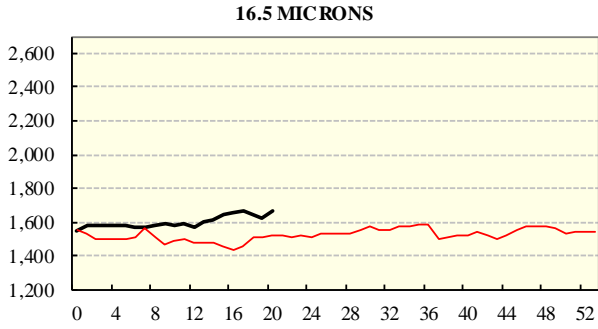
AVERAGE AWEX MICRON PRICE GUIDES

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

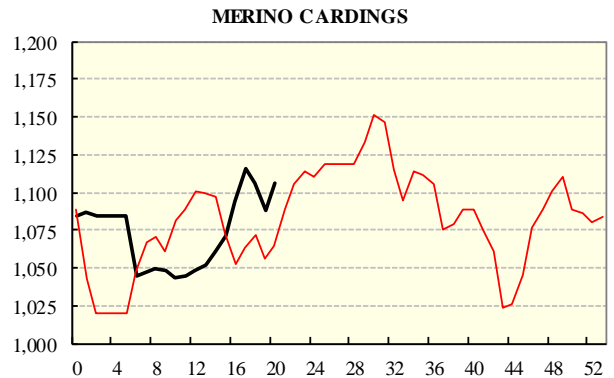
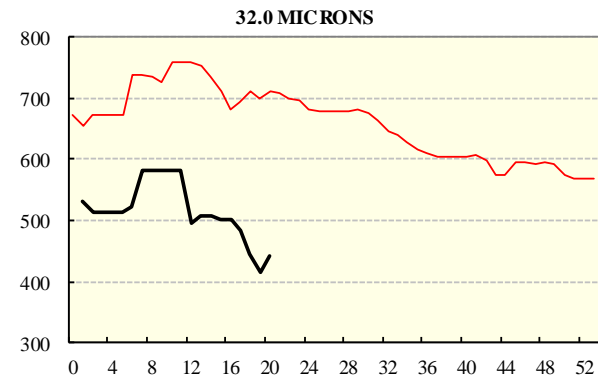
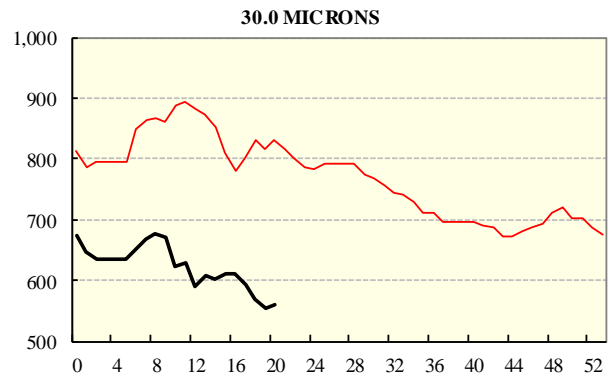
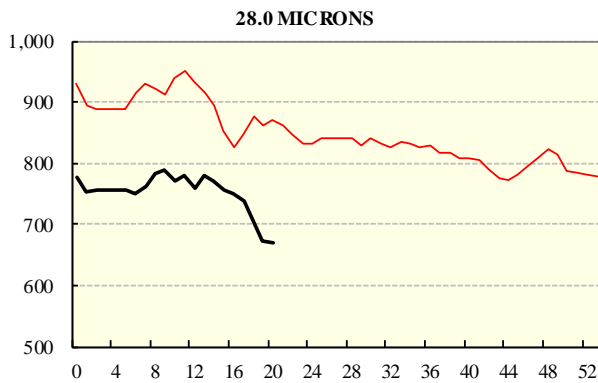
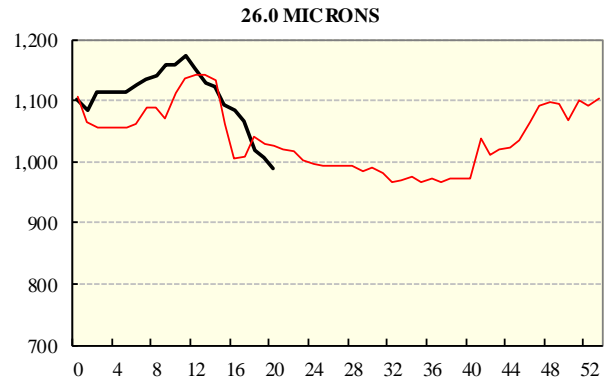
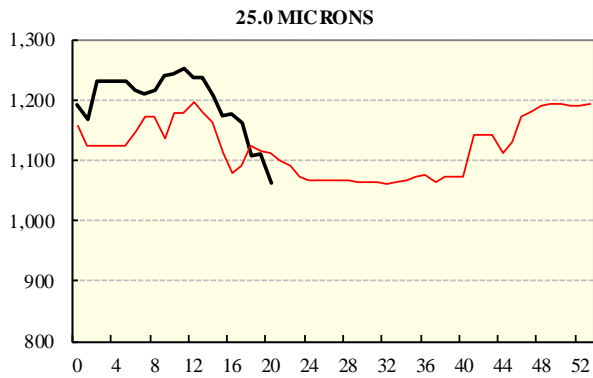
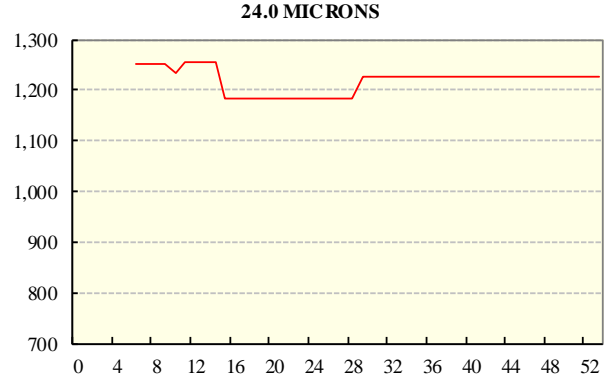
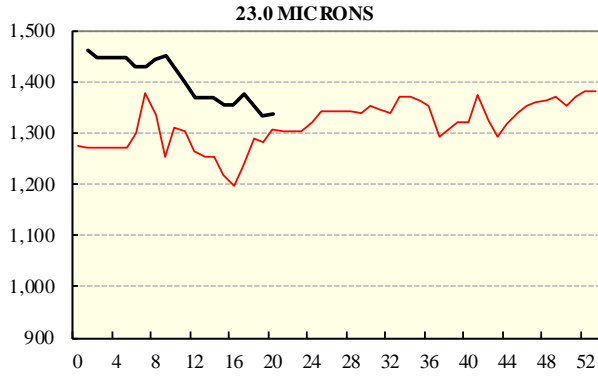


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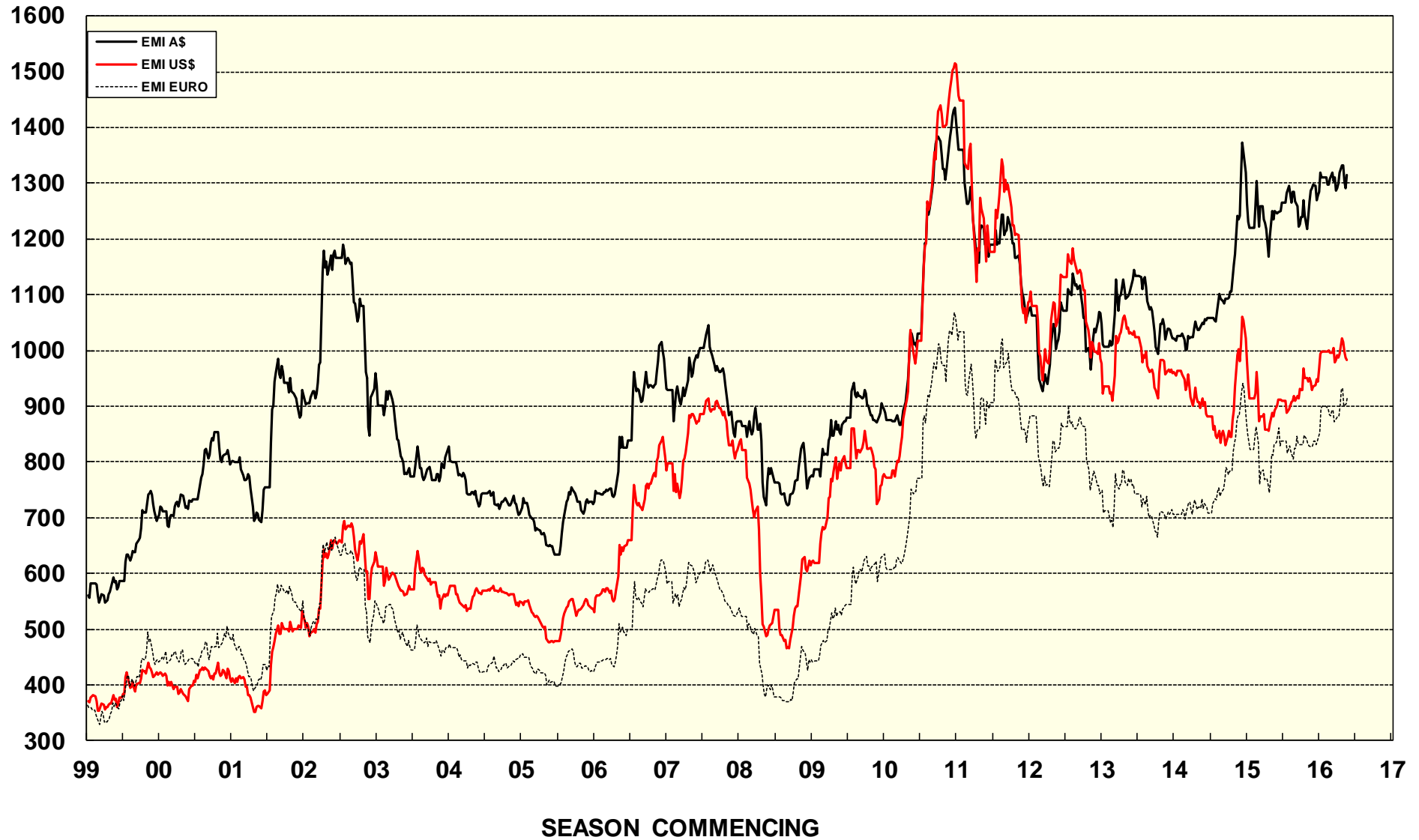
2016/17(black graph line) and 2015/16 (red graph line)



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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