

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW

Week Ending 2 December 2016 (Week 22)

The AWEX EMI finished 15¢ higher (+1.1%) in Australian currency and 16¢ higher (+1.6%) in US currency at sales in Sydney, Melbourne and Fremantle this week.

49,145 bales were on offer nationally, compared with 45,727 bales last sale. 6.2% of the offering was passed in.

AWEX reports that the value of the wool sold was \$74.2 million (\$1,609 per bale).

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 22)									
Centre	Last Sale		Day-to-Day Changes (Week 22)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	21	1363	+3	+12	0	+15 (+1.1%)	1378	+16	+10
Northern	21	1418	No Sale	+21	+2	+23 (+1.6%)	1441	+21	+15
Southern	21	1327	+5	+6	-1	+10 (+0.8%)	1337	+11	+6
Western	21	1438	No Sale	+12	-6	+6 (+0.4%)	1444	+9	+3

It was another very solid week with good gains in both Australian and US currency. The EMI in Australian currency is at its highest level since June 2011; and the average price per bale has exceeded \$1600. Members of the trade report that there was some very good wool on offer. There were overall gains in the AWEX MPGs across all wool types and all micron ranges, apart from 26 microns. The market steadied towards the end of Thursday as news of the increase in the offering in the coming week became available.

Merinos continued to outperform crossbreds, with very good gains at the fine end of the Merinos. The difference between the average AWEX MPGs for 16.5 and 22 microns has now stretched to 410¢ in the North and 380¢ in the South.

The US Exchange Rate steadied this week after the recent falls since the United States Presidential election. It finished 0.33¢ (0.4%) higher to close at 74.08¢ on Thursday.

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

Looking ahead to the last two sales prior to the Christmas break, there has been a large increase in the expected volumes as growers seek to sell into the current very good market.

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	310¢	342¢	366¢	386¢	410¢
South	300¢	341¢	354¢	375¢	380¢

Market Indicator	Changes From			
	Four Sales Ago Week 18	Start of the Season	Week 22 Last Year	Season Average to Week 22 Last Year
Eastern Market Indicator	+75 (+5.8%)	+62 (+4.7%)	+132 (+10.6%)	+78 (+6.3%)
Western Market Indicator	+81 (+5.9%)	+25 (+1.8%)	+148 (+11.4%)	+117 (+9.2%)

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 ¢	+60	+57	+46	+46	+42	+16	+18	+5	+3	-2		
Change %	+3.4%	+3.3%	+2.7%	+2.7%	+2.5%	+1.0%	+1.1%	+0.3%	+0.2%	-0.1%		
Since Start of the Season												
Change ¢	+221	+218	+204	+202	+189	+129	+96	+24	-40	-53		
Change %	+14.0%	+13.9%	+13.1%	+13.1%	+12.4%	+8.5%	+6.4%	+1.6%	-2.7%	-3.6%		
Since Same Week Last Year												
Change ¢	+292	+289	+272	+276	+273	+245	+237	+186	+130	+102		
Change %	+19.3%	+19.3%	+18.2%	+18.7%	+19.0%	+17.6%	+17.4%	+14.0%	+9.9%	+7.8%		

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 ¢	+15	-5	+3	+7	+8	+8
Change %	+1.4%	-0.5%	+0.4%	+1.2%	+1.8%	+0.7%
Since Start of the Season						
Change ¢	-109	-133	-74	-59	-66	+59
Change %	-9.1%	-12.1%	-9.8%	-9.2%	-12.6%	+5.4%
Since Same Week Last Year						
Change ¢	-2	-51	-165	-219	-244	+40
Change %	-0.2%	-5.0%	-19.5%	-27.3%	-34.8%	+3.6%

Average Merino Cardings Price Guide

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AWIS WOOL MARKET REVIEW Week Ending 2 December 2016 (Week 22)

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.

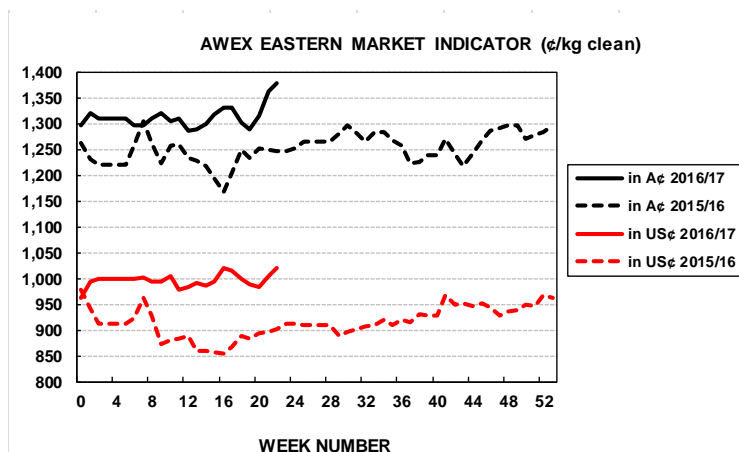
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re- Offered	Bales Sold
North	12,997	14,859	7.2%	2.5%	7.3%	13,788
South	22,158	24,530	4.9%	1.7%	6.0%	23,336
West	10,572	9,756	7.8%	0.4%	4.5%	8,994
Australia	45,727	49,145	6.2%	1.7%	6.1%	46,118

Actual and % Changes in the Progressive Offerings from Last Year	
+12,965	+6.0%
+9,896	+2.7%
+15,438	+10.6%
+38,299	+5.2%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 23	Week 24	Week 25	Differences
North	14,557	11,790	No Sale	
South	29,305	26,008	No Sale	
West	11,195	8,900	No Sale	
New Zealand	600			
Australia	55,057	46,698		+26.1%
Differences	+48.1%	+7.2%		

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	73.75	+0.56	+0.46	0.00	-0.03	-0.66	+0.33 (+0.4%)	74.08	73.75	77.11
Euro	69.94	+0.36	-0.15	+0.38	-0.25	-0.39	-0.05 (-0.1%)	69.89	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	1315
Last Year	1254
2014/15	1102
2013/14	1070
2012/13	1035

SEASON AVERAGES		
Region	This Year	Diff
North	1350	+71
South	1291	+53
West	1389	+81

THIS YEAR'S EMI	
This Week	1378
First Week	1320
Low (26/10)	1287
High (20/10)	1378

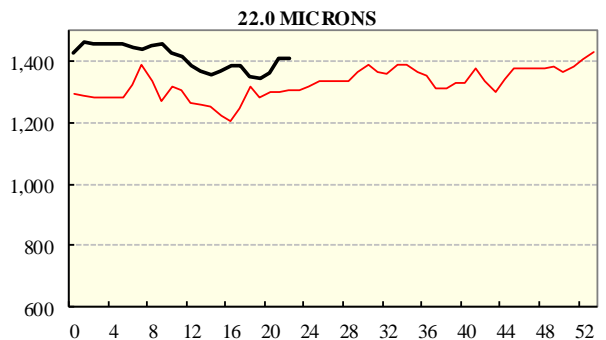
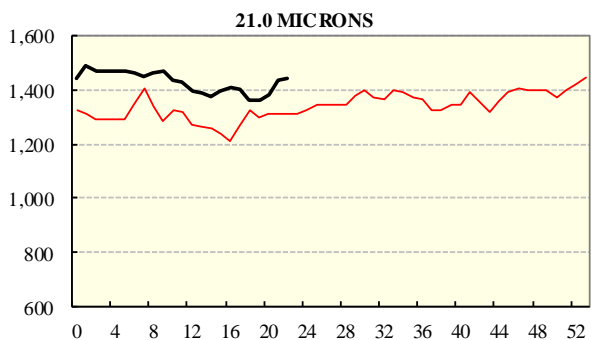
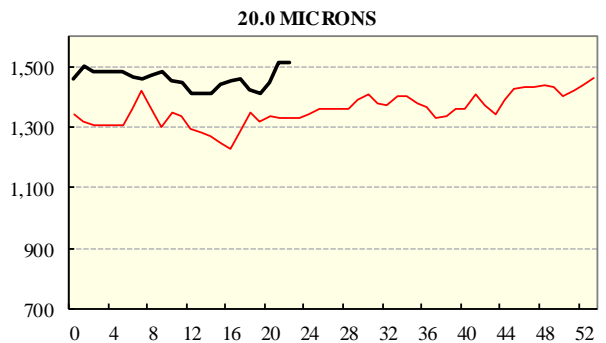
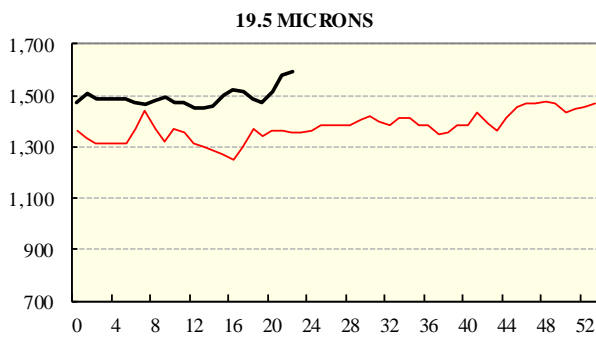
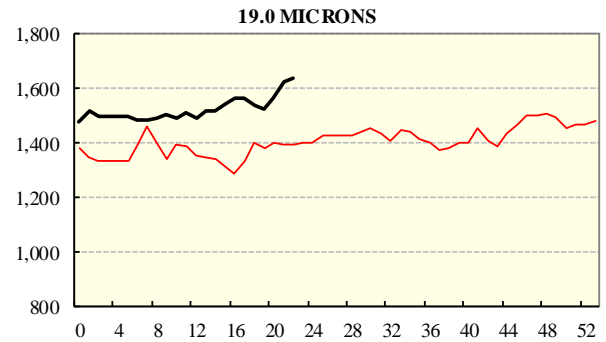
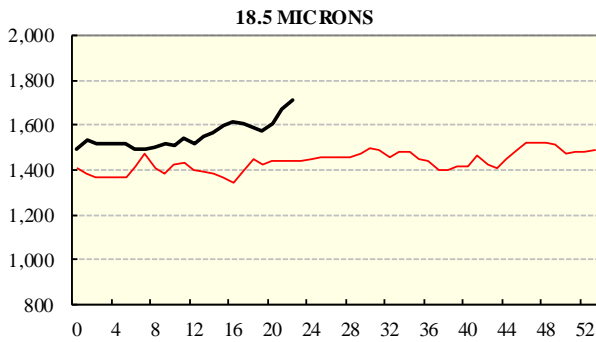
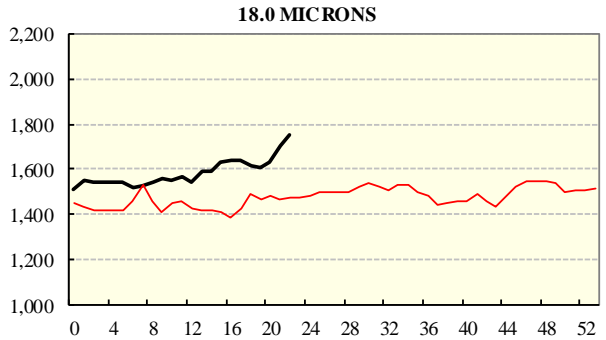
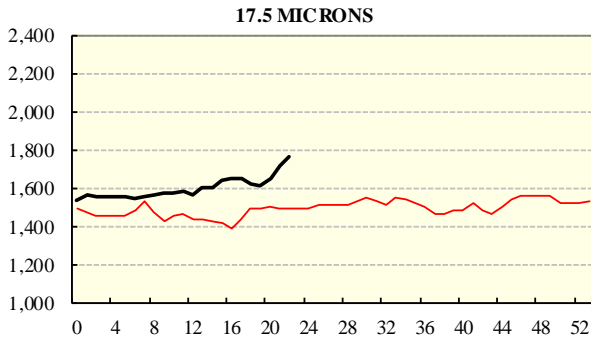
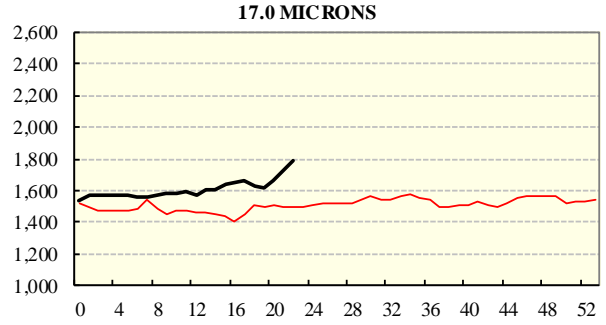
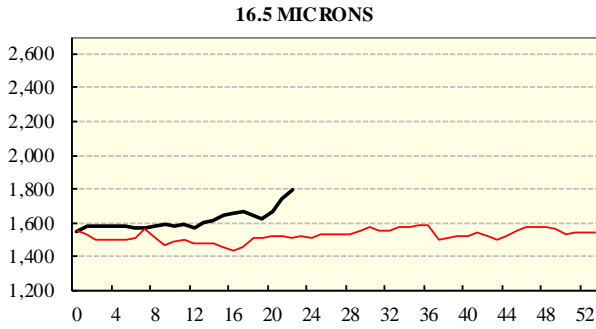
COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1441	+104
South	1337	+36
West	1444	+25

BALES OFFERED	
This Year	770,862
Last Year	732,563
Difference	+38,299
% Diff	+5.2%
FIRST OFFERED BALES	
Difference	+5.5%
% of Offering	95.8%

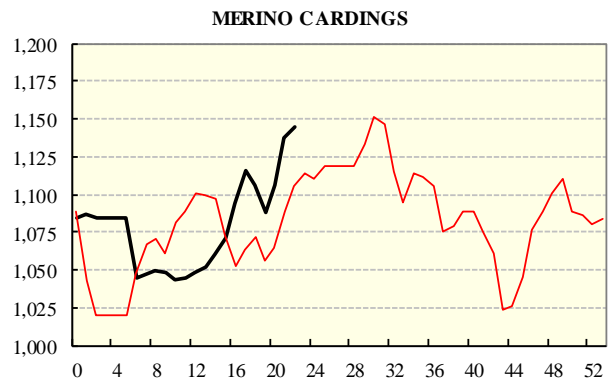
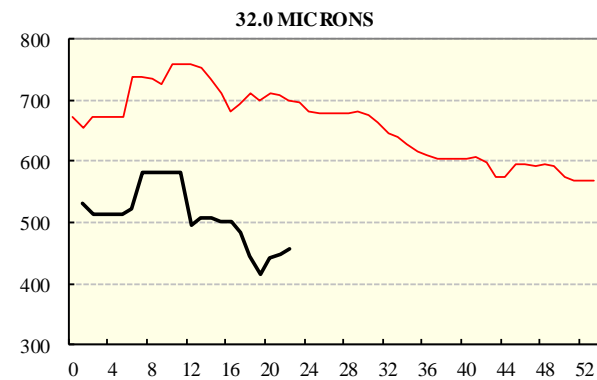
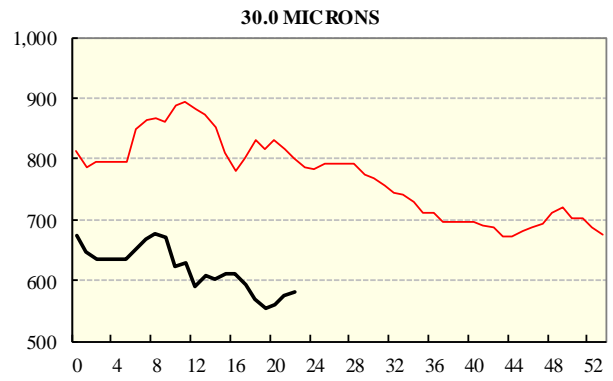
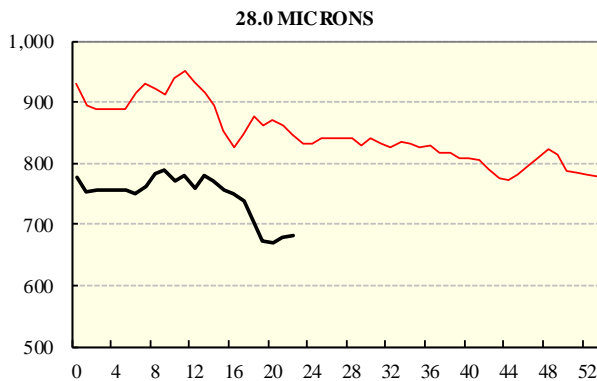
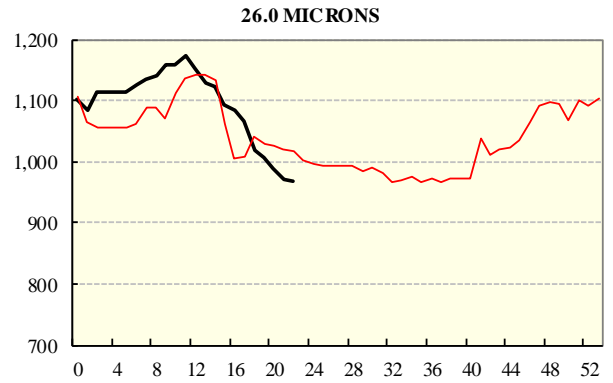
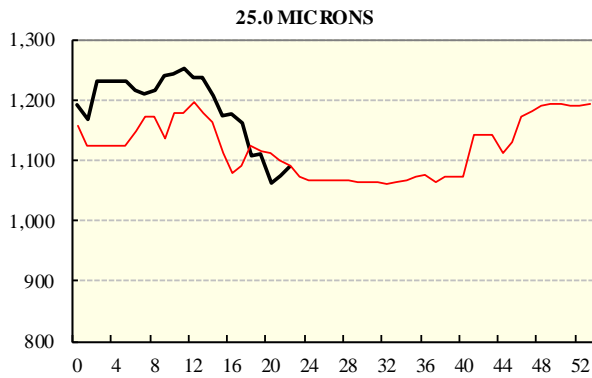
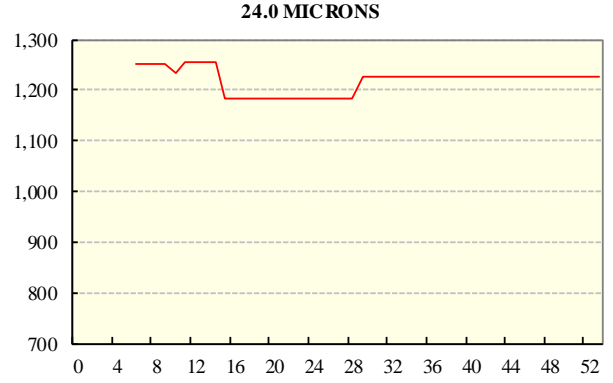
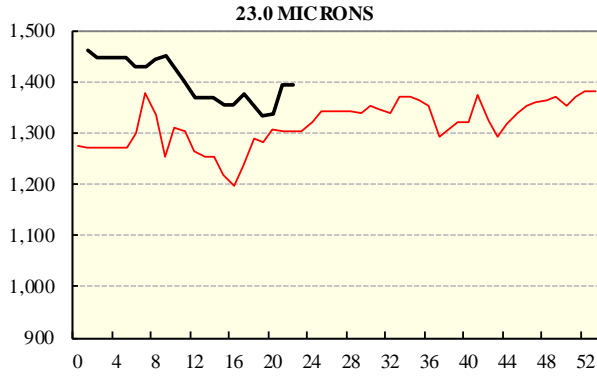
REGION BALES		
This Sale:		Diff
North	14,859	
South	24,530	
West	9,756	
Progressive Totals:		Diff
North	229,195	+6.0%
South	381,128	+2.7%
West	160,539	+10.6%

AVERAGE AWEX MICRON PRICE GUIDES

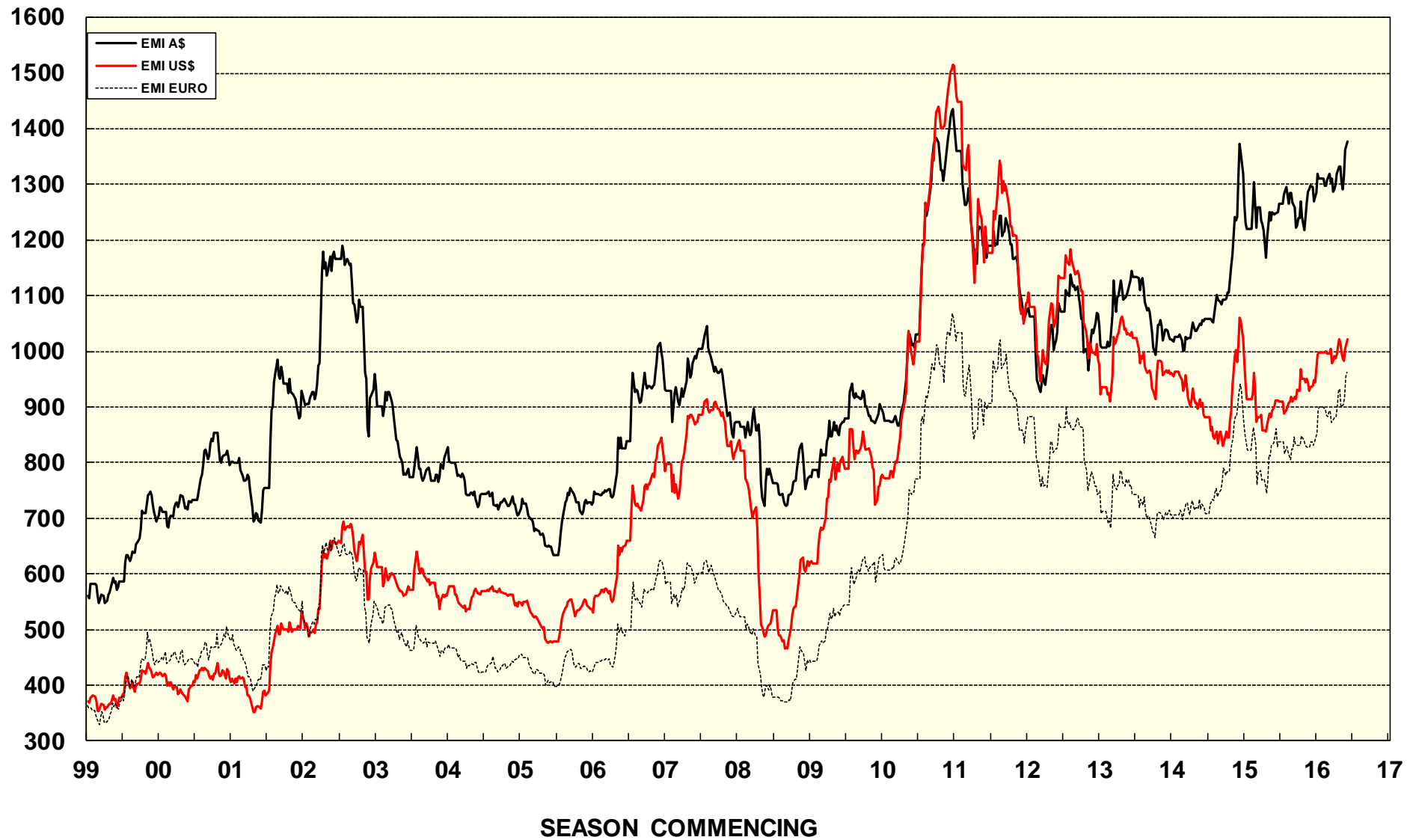
2016/17(black graph line) and 2015/16 (red graph line)



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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