

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

Unit 9, 42 - 46 Vella Drive
Sunshine West Vic 3020
Australia
Tel: 03 9311 0103
Fax: 03 9311 0138



Email: awis@woolindustries.org
Web: www.woolindustries.org
ABN: 30 454 304 967
Reg No: A0041776E

AWIS WOOL MARKET REVIEW Week Ending 2 June 2017 (Week 48)

The AWEX EMI finished at 1472¢, 23¢ lower (-1.5%) in Australian currency and 33¢ lower (-2.9%) in US currency at sales in Sydney, Melbourne and Fremantle this week. The season average rose by 2¢ to 1399¢.

28,459 bales were on offer nationally, compared with 34,270 bales last sale. 12.2% of the offering was passed in.

AWEX reports that the value of the wool sold was \$39.6 million (\$1,586 per bale), taking the season total to \$2.6 billion.

| Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 48) | | | | | | | | | |
|---|-----------|-----------|------------------------------|-----------|----------|---------------------|-------------------|----------------------|--------|
| Centre | Last Sale | | Day-to-Day Changes (Week 48) | | | Sale-to-Sale Change | Closing Indicator | Sale-to-Sale Changes | |
| | Week | Indicator | Tuesday | Wednesday | Thursday | | | US ¢ | Euro ¢ |
| Eastern | 47 | 1495 | No Sale | -15 | -8 | -23 (-1.5%) | 1472 | -33 | -29 |
| Northern | 47 | 1580 | No Sale | -29 | -4 | -33 (-2.1%) | 1547 | -42 | -36 |
| Southern | 47 | 1445 | No Sale | -9 | -10 | -19 (-1.3%) | 1426 | -29 | -26 |
| Western | 47 | 1520 | No Sale | -7 | -9 | -16 (-1.1%) | 1504 | -29 | -24 |

The pattern of the market was the same as last week, with a lower US Exchange Rate softening the falls; and Merinos again experiencing significant losses at the Superfine end. These falls generally became smaller as fibre diameter increased; and changed to small gains at 22 and 23 microns. Crossbreds continued their recent run of performing better than the Merinos. While the overall falls among the Superfine wool were significant, trade reports indicate that demand was strong for the better types. The market was also influenced by the number of lots with high VM values, particularly among the skirtings. Merino skirtings followed the fleece types, with the higher VM lots most affected. The oddments market was hard to read. Most descriptions of this market were described as firm, however the AWEX Southern Region Merino Cardings Price Guide was quoted as down by 22¢ on Wednesday.

The US Exchange Rate finished 1.07¢ (-1.4%) lower to go back below 75¢ and close at 74.03¢ on Thursday.

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

Looking ahead, after successive weeks of larger offerings than in the same weeks last year, the expected offering for the next three sales is less than last year, averaging only 28,000 bales. This change in the trend may be due to a number of reasons, that include an increase in "prem" shearing in recent months and growers not holding wool back in the current 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 | No 22.0µ MPG | No 22.0µ MPG | No 22.0µ MPG | No 22.0µ MPG | No 22.0µ MPG |
| South | 532¢ | 626¢ | 679¢ | 716¢ | 719¢ |

| Market Indicator | Four Sales Ago Week 44 | Changes From | | |
|--------------------------|---------------------------|------------------------|----------------------|--|
| | | Start of the Season | Week 48 Last Year | Season Average to Week 48 Last Year |
| Eastern Market Indicator | -72 (-4.7%) | +156 (+11.9%) | +175 (+13.5%) | +148 (+11.8%) |
| Western Market Indicator | -56 (-3.6%) | +85 (+6.0%) | No Sale | +146 (+11.2%) |

| 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 ¢ | -113 | -83 | -75 | -60 | -59 | -66 | -37 | -23 | -2 | +8 | +8 | |
| Change % | -4.9% | -3.7% | -3.4% | -2.8% | -2.9% | -3.5% | -2.1% | -1.5% | -0.1% | +0.6% | +0.6% | |
| Since Start of the Season | | | | | | | | | | | | |
| Change ¢ | +591 | +588 | +562 | +518 | +440 | +311 | +194 | +58 | -8 | -44 | -114 | |
| Change % | +37.4% | +37.5% | +36.0% | +33.5% | +28.9% | +20.6% | +12.9% | +3.9% | -0.5% | -3.0% | -7.8% | |
| Since Same Week Last Year | | | | | | | | | | | | |
| Change ¢ | +597 | +589 | +560 | +516 | +440 | +315 | +216 | +110 | +74 | +40 | -22 | |
| Change % | +37.9% | +37.5% | +35.8% | +33.3% | +28.9% | +20.9% | +14.6% | +7.6% | +5.3% | +2.9% | -1.6% | |

| 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 ¢ | | +8 | +3 | -15 | | -8 |
| Change % | | +0.8% | +0.4% | -2.7% | | -0.7% |
| Since Start of the Season | | | | | | |
| Change ¢ | | -37 | 0 | -91 | -132 | +99 |
| Change % | | -3.4% | 0.0% | -14.2% | -25.2% | +9.1% |
| Since Same Week Last Year | | | | | | |
| Change ¢ | | -33 | -68 | -162 | -205 | +84 |
| Change % | | -3.0% | -8.3% | -22.8% | -34.4% | +7.6% |

Average Merino Cardings Price Guide

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

Unit 9, 42 - 46 Vella Drive
Sunshine West Vic 3020
Australia
Tel: 03 9311 0103
Fax: 03 9311 0138



Email: awis@woolindustries.org
Web: www.woolindustries.org
ABN: 30 454 304 967
Reg No: A0041776E

AWIS WOOL MARKET REVIEW

Week Ending 2 June 2017 (Week 48)

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 March ABS export data.

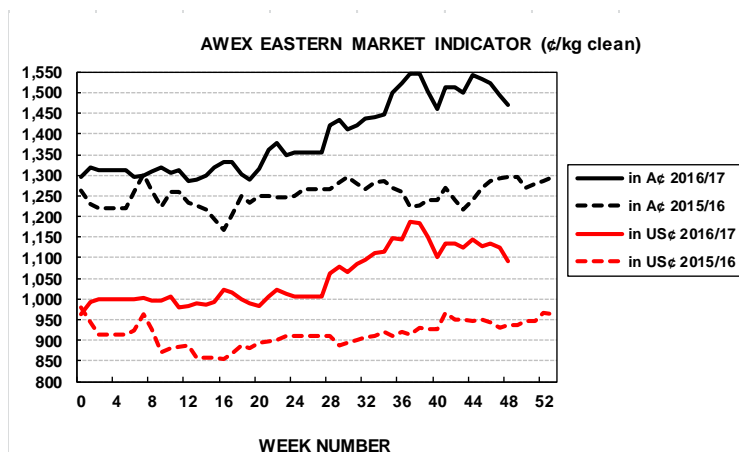
| Details of this Week's Offering and the Comparison with the Previous Sale's Offering | | | | | | |
|--|---------------|---------------|--------------|-----------------------|-------------|---------------|
| Centre | Last Sale | This Sale | | | | |
| | Offering | Offering | Passed-In | Withdrawn Before Sale | Re- Offered | Bales Sold |
| North | 8,789 | 8,552 | 13.0% | 1.1% | 5.6% | 7,442 |
| South | 19,499 | 15,871 | 10.4% | 4.4% | 6.2% | 14,223 |
| West | 5,982 | 4,036 | 18.0% | 6.3% | 13.5% | 3,311 |
| Australia | 34,270 | 28,459 | 12.2% | 3.7% | 7.0% | 24,976 |

| Actual and % Changes in the Progressive Offerings from Last Year | |
|--|--------------|
| +22,936 | +4.9% |
| +30,648 | +3.6% |
| +33,304 | +9.6% |
| +86,888 | +5.2% |

| Next Sale Offerings and Year-on-Year Differences | | | | |
|--|---------------|---------------|---------------|--------------|
| Centre | Week 49 | Week 50 | Week 51 | Differences |
| North | 10,330 | 9,050 | 8,910 | -4.1% |
| South | 14,948 | 17,266 | 16,000 | +2.7% |
| West | No Sale | 6,677 | No Sale | |
| New Zealand | | | | |
| Australia | 26,058 | 32,993 | 24,910 | -7.7% |
| Differences | -18.7% | +21.2% | -21.4% | |

| 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 | 75.10 | -0.75 | -0.02 | +0.05 | +0.12 | -0.47 | -1.07 (-1.4%) | 74.03 | 73.52 | 77.13 |
| Euro | 66.79 | -0.37 | +0.14 | +0.35 | -0.20 | -0.84 | -0.92 (-1.4%) | 65.87 | 65.87 | 72.77 |

| Country | % Share of Australia's Wool Exports by Weight of Wool Shipped | | | Year-on-Year % Change July to March | |
|-----------------------------|---|---------------------------|---------------------------|-------------------------------------|---------------|
| | March 2017 | July to March This Season | July to March Last Season | By Weight | By Value |
| China | 82.0% | 79.0% | 74.4% | +12.8% | +22.6% |
| India | 4.7% | 6.0% | 7.5% | -15.8% | -8.2% |
| Italy | 4.1% | 4.5% | 5.1% | -5.4% | +4.2% |
| Czech Republic | 3.6% | 4.9% | 5.3% | -1.5% | -1.2% |
| Malaysia | 0.3% | 0.7% | 1.6% | -54.5% | -57.8% |
| Korea | 1.7% | 1.6% | 1.7% | -1.0% | -2.0% |
| Taiwan | 0.8% | 0.7% | 0.8% | -7.1% | -3.7% |
| Egypt | 1.3% | 1.0% | 1.2% | -8.3% | +7.4% |
| Change all Countries | | | | +6.3% | +13.8% |



| AVERAGE EMI | |
|-------------|------|
| This Year | 1399 |
| Last Year | 1254 |
| 2014/15 | 1102 |
| 2013/14 | 1070 |
| 2012/13 | 1035 |

| SEASON AVERAGES | | |
|-----------------|-----------|------|
| Region | This Year | Diff |
| North | 1459 | +180 |
| South | 1361 | +123 |
| West | 1449 | +141 |

| THIS YEAR'S EMI | |
|-----------------|------|
| This Week | 1472 |
| First Week | 1320 |
| Low (23/09) | 1287 |
| High (17/03) | 1546 |

| COMPARED WITH WKS 1/2 | | |
|-----------------------|-----------|------|
| Region | This Week | Diff |
| North | 1547 | +210 |
| South | 1426 | +125 |
| West | 1504 | +85 |

| BALES OFFERED | |
|---------------------|-----------|
| This Year | 1,746,383 |
| Last Year | 1,659,495 |
| Difference | +86,888 |
| % Diff | +5.2% |
| FIRST OFFERED BALES | |
| Difference | +5.5% |
| % of Offering | 94.7% |

| REGION BALES | | |
|---------------------|---------|-------|
| This Sale: | | Diff |
| North | 8,552 | +4.9% |
| South | 15,871 | +3.6% |
| West | 4,036 | +9.6% |
| Progressive Totals: | | Diff |
| North | 491,056 | +4.9% |
| South | 876,350 | +3.6% |
| West | 378,977 | +9.6% |

© AWIS 2016 (for permission to reprint, in part or whole, please contact this office)

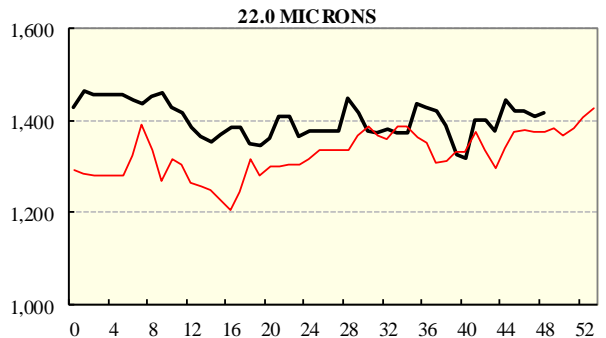
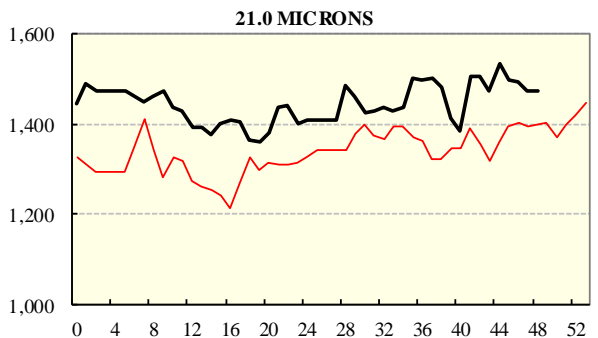
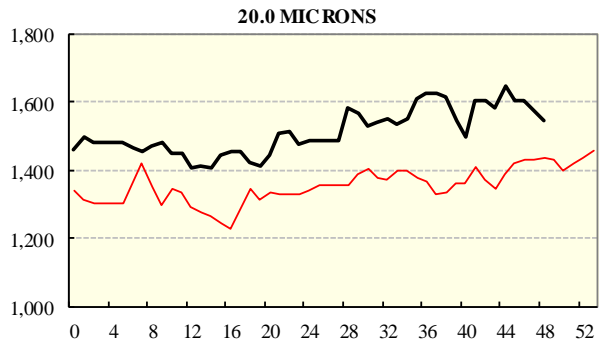
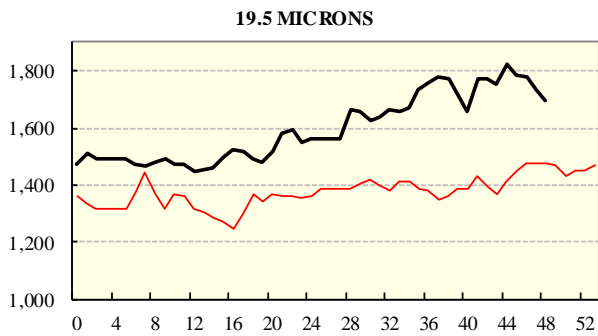
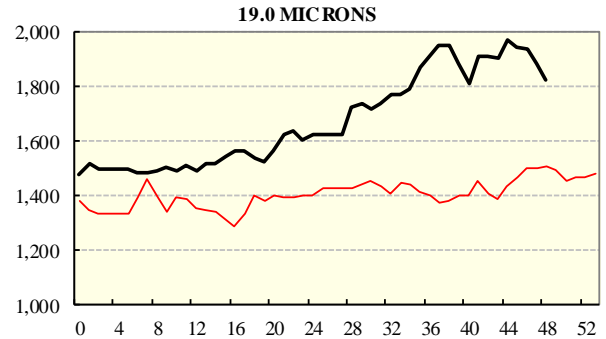
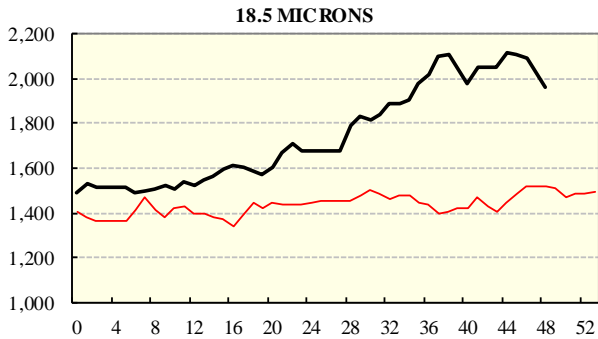
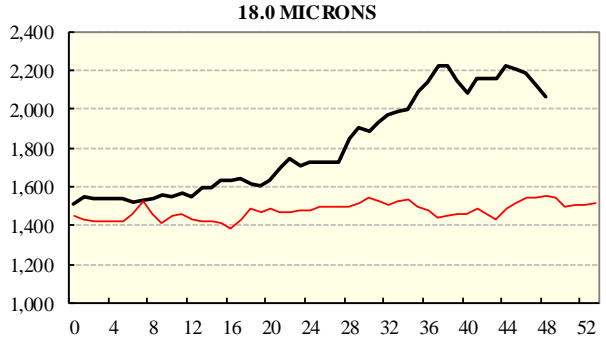
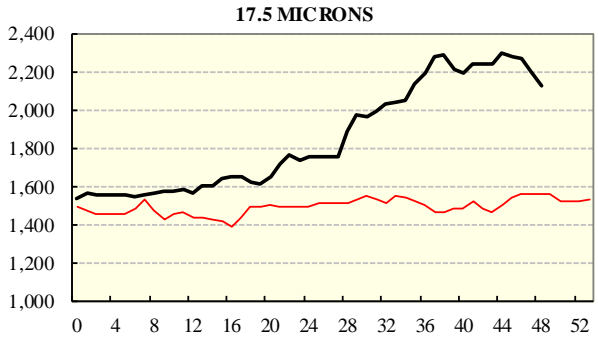
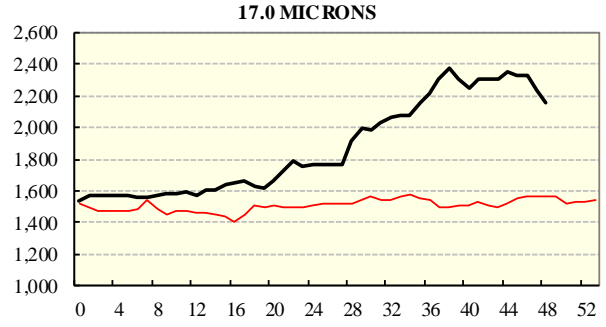
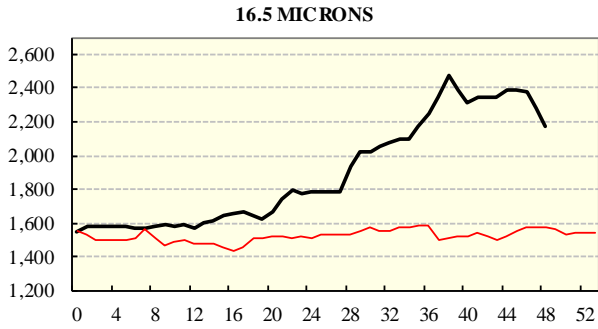
For further information

Peter Morgan

03 9311 0103

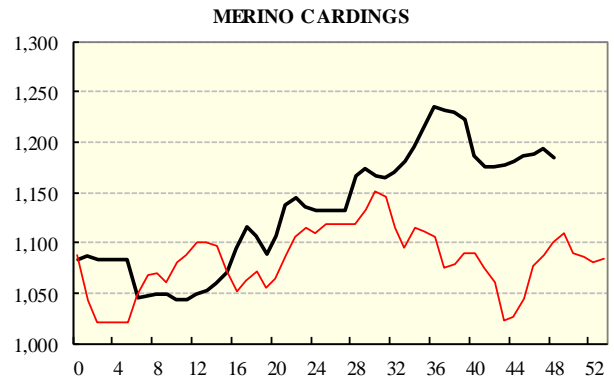
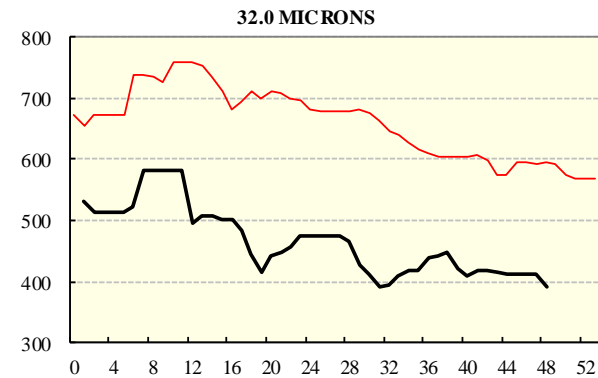
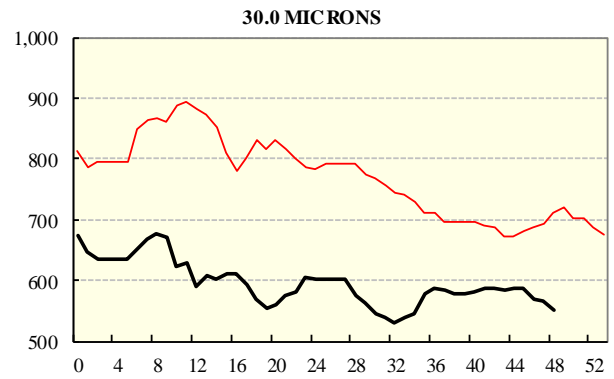
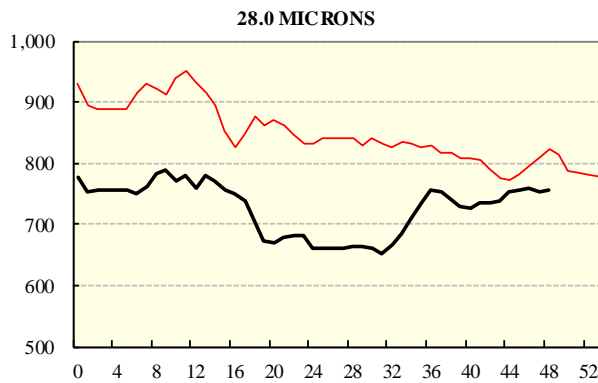
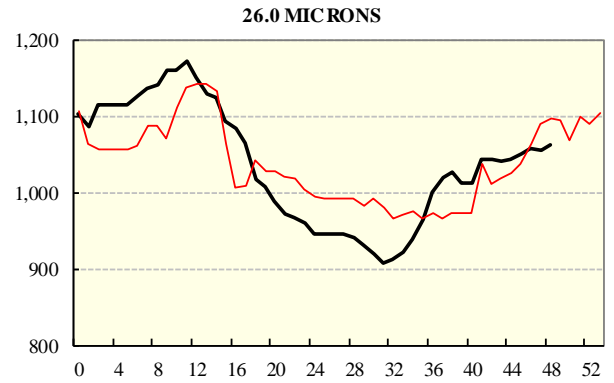
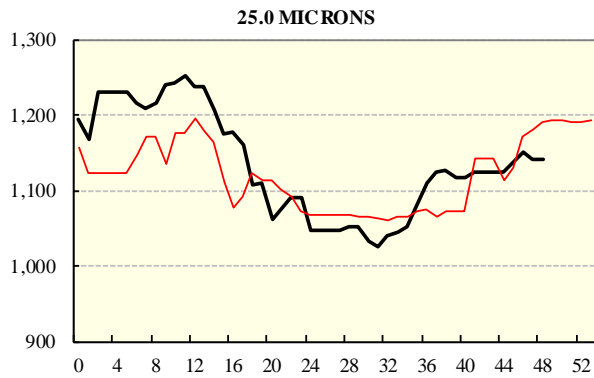
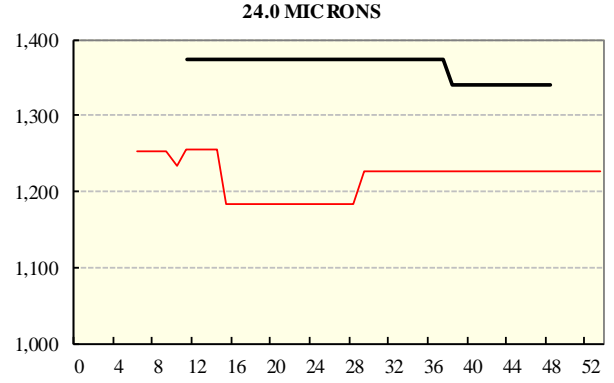
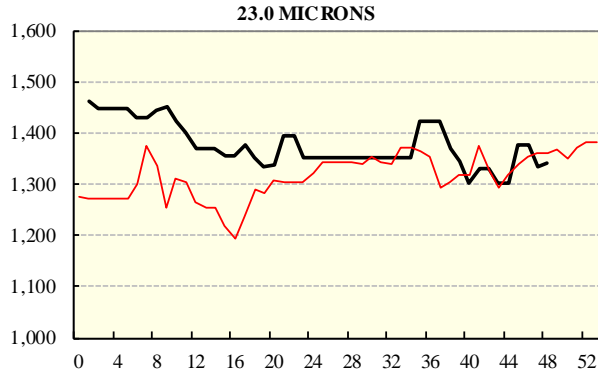
AVERAGE AWEX MICRON PRICE GUIDES

n+B36y(black graph line) and 2015/16 (red graph line)



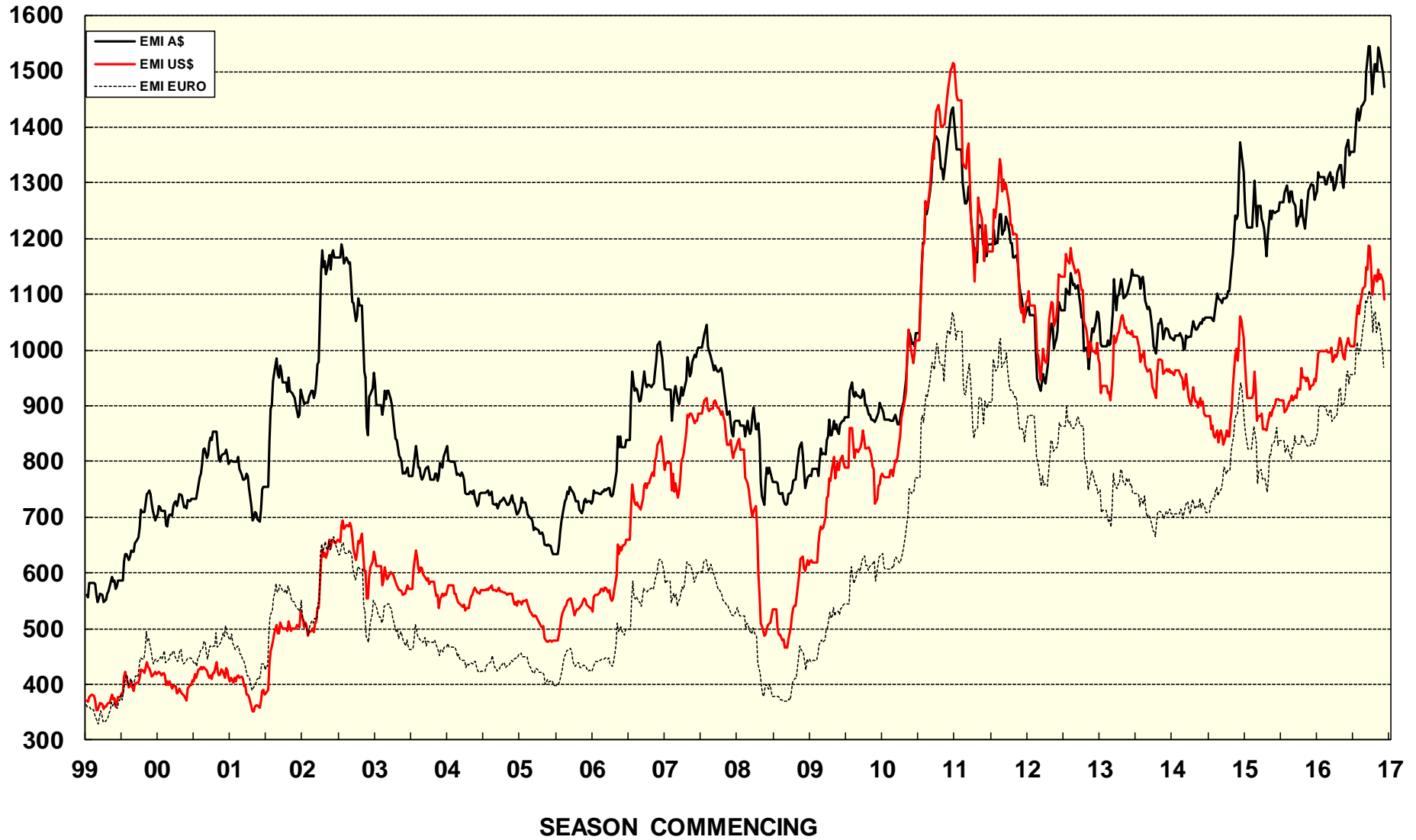
AVERAGE AWEX MICRON PRICE GUIDES

n+B36y(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)



© AWIS 2017 (for permission to reprint, in part or whole, please contact this office)

For further information

Peter Morgan

03 9311 0103