

# AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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## AWIS WOOL MARKET REVIEW Week Ending 2 September 2016 (Week 09)

The market continued its excellent start to the season, when the AWEX EMI finished 11¢ higher (+0.8%) in Australian currency and was unchanged, in US currency at sales in Sydney and Melbourne and the WMI rose by 1.2% in Fremantle this week.

40,553 bales were on offer nationally, compared with 25,785 bales last sale. 3.6% of the offering was passed in.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 09)									
Centre	Last Sale		Day-to-Day Changes (Week 09)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	08	1309	No Sale	+8	+3	+11 (+0.8%)	1320	0	+10
Northern	08	1333	No Sale	+8	+3	+11 (+0.8%)	1344	0	+10
Southern	08	1294	No Sale	+7	+3	+10 (+0.8%)	1304	-1	+9
Western	07	1391	No Sale	+17	-1	+16 (+1.2%)	1407	+3	+14

It was another good week, when strong demand and a lower US exchange rate led to rises in the EMI on both days. The closing EMI equalled the highest price achieved so far this season (in Week 01). The greater rise in the WMI on Wednesday was due to there being no sale in Fremantle in the previous week.

The sales got away to a good start on Wednesday with rises across all Merino fleece and skirting micron ranges and most crossbred micron ranges. It was also a good day for most oddments. The rises were steadier on Thursday, but up in both currencies despite a rise of 0.24¢ in the US exchange rate.

The US Exchange Rate finished 0.65¢ (-0.9%) lower to close at 75.38¢ on Thursday. The fall was associated with further speculation early in the week that the US Federal Reserve will lift the official interest rate in September.

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

Looking ahead, offerings over the next three sales are expected to be well ahead of the same weeks in last season.

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	69¢	105¢	129¢	137¢	142¢
South	66¢	88¢	109¢	111¢	112¢

Market Indicator	Changes From			
	Four Sales Ago Week 02	Start of the Season	Week 09 Last Year	Season Average to Week 09 Last Year
Eastern Market Indicator	+9 (+0.7%)	+4 (+0.3%)	+98 (+8.0%)	+59 (+4.7%)
Western Market Indicator	-7 (-0.5%)	-12 (-0.8%)	+143 (+11.3%)	+156 (+12.5%)

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 ¢		+12	+13	+16	+17	+15	+13	+11	+9	+7	+7	
Change %		+0.8%	+0.8%	+1.0%	+1.1%	+1.0%	+0.9%	+0.7%	+0.6%	+0.5%	+0.5%	
Since Start of the Season												
Change ¢	+6	+14	+16	+10	-2	-3	-8	-9	-9	-2	-4	
Change %	+0.4%	+0.9%	+1.0%	+0.6%	-0.1%	-0.2%	-0.5%	-0.6%	-0.6%	-0.1%	-0.3%	
Since Same Week Last Year												
Change ¢	+116	+134	+146	+145	+137	+163	+173	+185	+190	+189	+195	
Change %	+7.9%	+9.2%	+10.2%	+10.3%	+9.9%	+12.1%	+13.1%	+14.3%	+14.8%	+14.9%	+15.5%	

Sale-to-Sale Changes in Other Average AWEX Price Guides						
Micron	25.0	26.0	28.0	30.0	32.0	MC <sup>#</sup>
Since Last Sale						
Change ¢	+25	+18	+7	-7		-1
Change %	+2.1%	+1.6%	+0.9%	-1.0%		-0.1%
Since Start of the Season						
Change ¢	+41	+59	+34	+30		-38
Change %	+3.4%	+5.4%	+4.5%	+4.7%		-3.5%
Since Same Week Last Year						
Change ¢	+105	+88	-123	-189		-13
Change %	+9.3%	+8.2%	-13.5%	-22.0%		-1.2%

# Average Merino Cardings Price Guide

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## AWIS WOOL MARKET REVIEW Week Ending 2 September 2016 (Week 09)

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 June ABS export data.

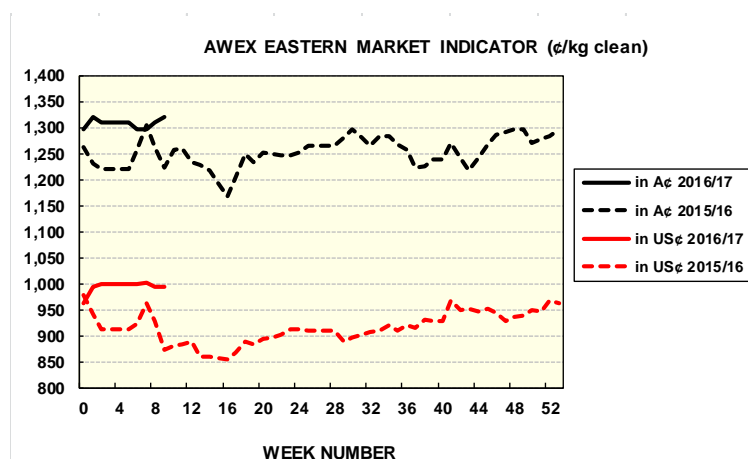
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re- Offered	Bales Sold
North	13,545	12,872	3.6%	1.3%	4.4%	12,409
South	12,240	16,061	4.0%	0.4%	3.3%	15,414
West		11,620	2.9%	0.8%	6.2%	11,284
<b>Australia</b>	<b>25,785</b>	<b>40,553</b>	<b>3.6%</b>	<b>0.8%</b>	<b>4.4%</b>	<b>39,107</b>

Actual and % Changes in the Progressive Offerings from Last Year	
+3,707	+4.5%
+1,263	+1.2%
+6,666	+16.7%
<b>+11,636</b>	<b>+5.1%</b>

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 10	Week 11	Week 12	Differences
North	11,926	10,280	11,300	<b>+16.1%</b>
South	22,833	19,489	23,650	<b>+19.0%</b>
West	7,227	8,450	8,550	<b>+7.8%</b>
New Zealand	1,500		1,200	
<b>Australia</b>	<b>41,986</b>	<b>38,219</b>	<b>43,500</b>	<b>+15.9%</b>
<b>Differences</b>	<b>+17.2%</b>	<b>+13.3%</b>	<b>+16.9%</b>	

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	76.03	+0.37	-0.89	+0.18	-0.55	+0.24	-0.65 (-0.9%)	75.38	75.21	77.11
Euro	67.35	+0.30	-0.27	+0.42	-0.40	+0.19	+0.24 (+0.4%)	67.59	67.35	68.98

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to June	
	June 2016	July to June This Season	July to June Last Season	By Weight	By Value
China	78.5%	75.7%	76.9%	-12.1%	+0.6%
India	8.2%	7.4%	6.4%	+3.0%	+18.2%
Italy	2.1%	4.4%	3.9%	-0.5%	+10.0%
Czech Republic	3.7%	4.9%	4.8%	-9.3%	-1.9%
Malaysia	1.4%	1.5%	1.7%	-21.3%	-36.0%
Korea	2.1%	1.8%	2.1%	-21.8%	-3.6%
Taiwan	1.0%	0.8%	0.8%	-13.1%	-7.1%
Egypt	1.3%	1.2%	0.9%	+17.0%	+27.4%
<b>Change all Countries</b>				<b>-10.7%</b>	<b>+1.3%</b>



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

SEASON AVERAGES		
Region	This Year	Diff
North	1332	+53
South	1294	+56
West	1406	+98

THIS YEAR'S EMI	
This Week	1320
First Week	1320
Low (12/08)	1297
High (8/07)	1320

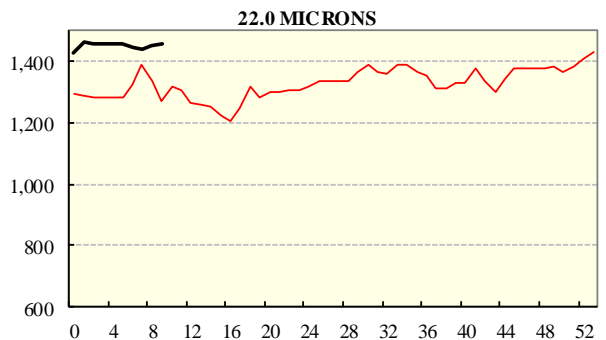
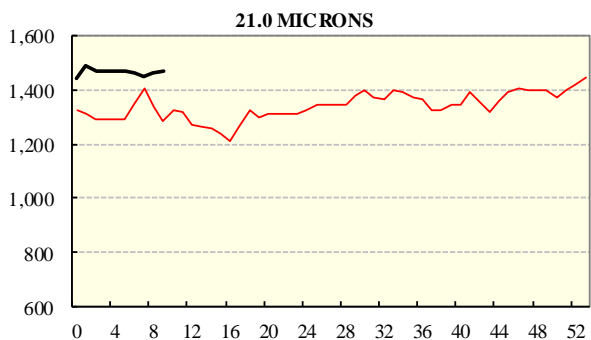
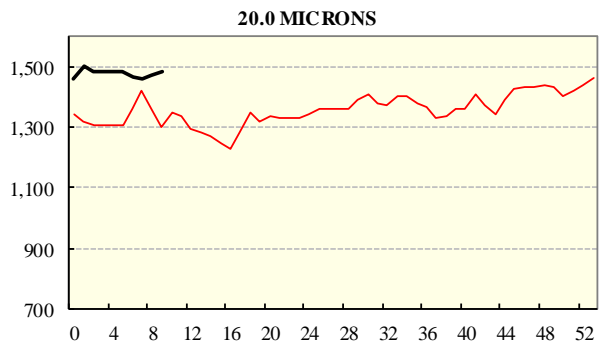
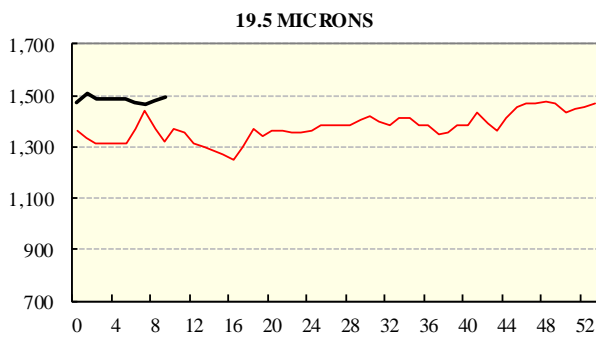
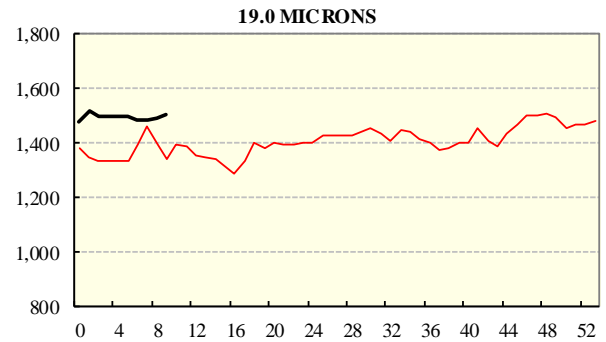
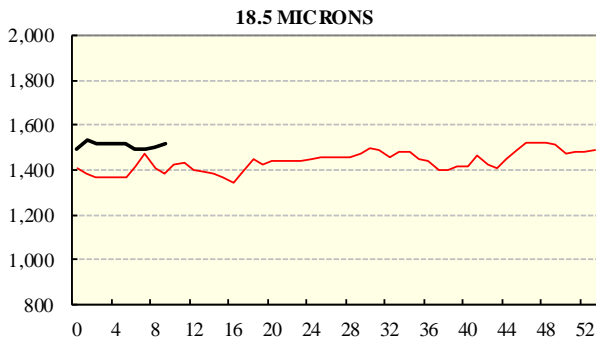
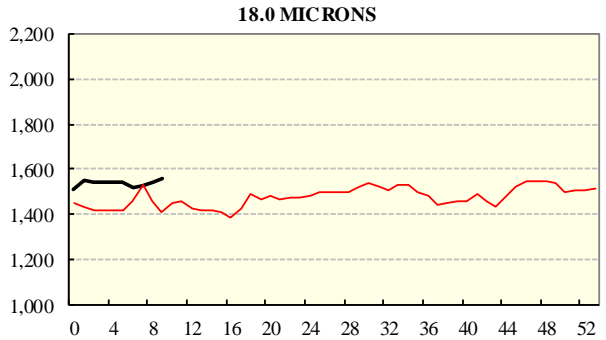
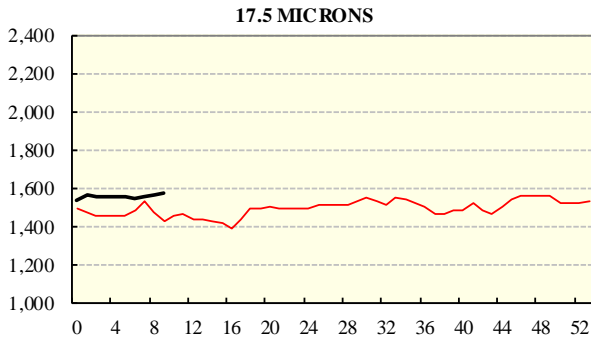
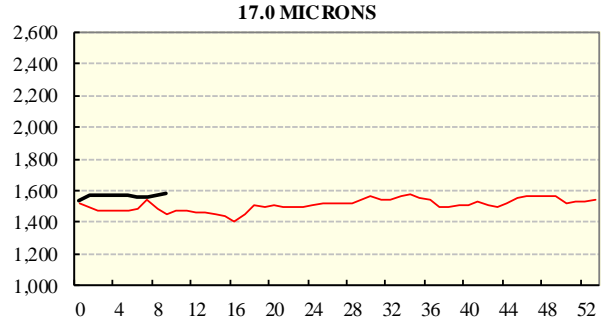
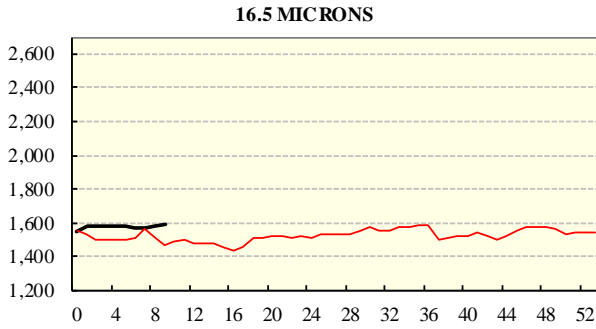
COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1344	+7
South	1304	3
West	1407	-12

BALES OFFERED	
This Year	239,760
Last Year	228,124
Difference	11,636
% Diff	5.1%
FIRST OFFERED BALES	
Difference	5.5%
% of Offering	95.5%

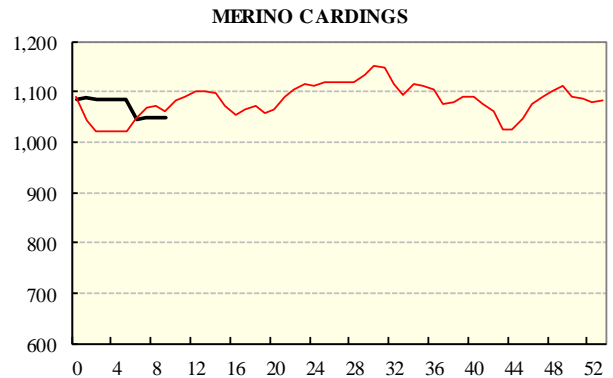
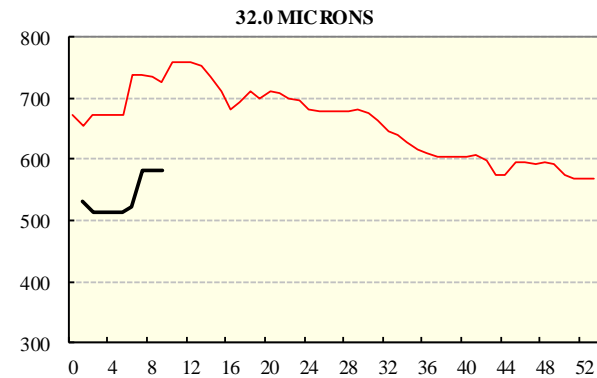
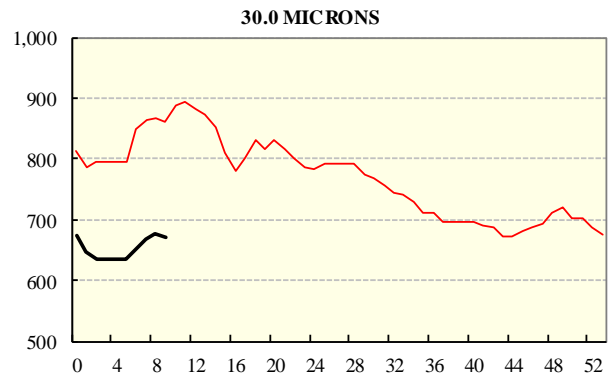
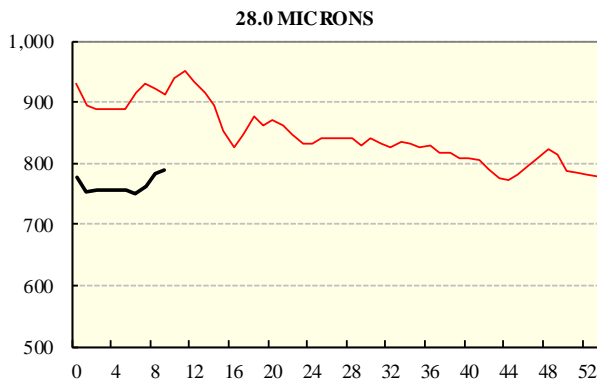
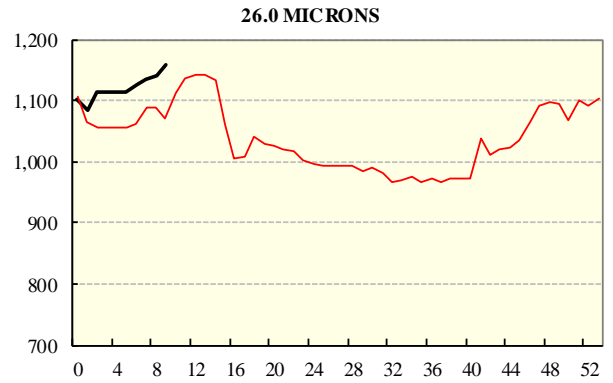
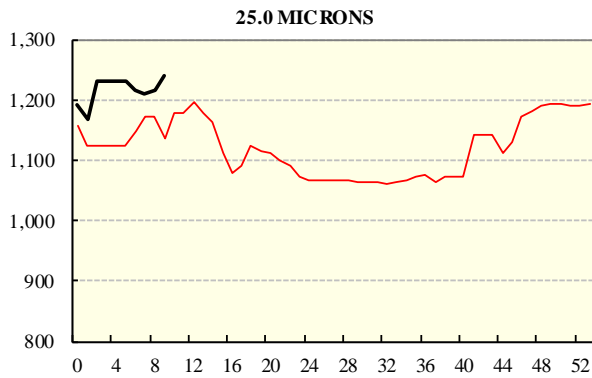
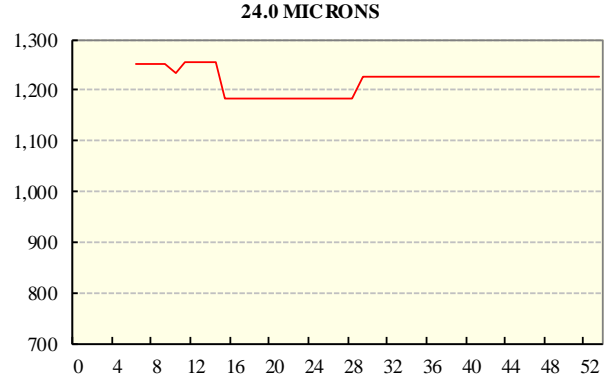
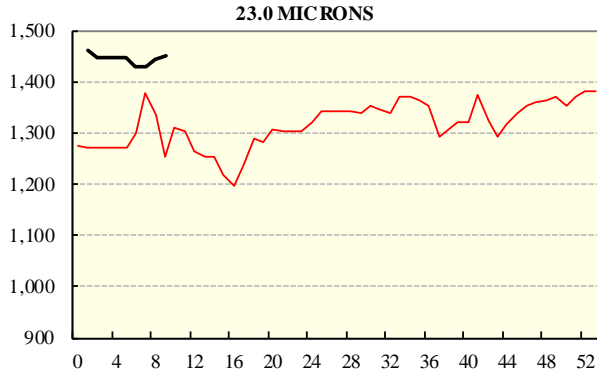
REGION BALES		
This Sale:		
North	12,872	
South	16,061	
West	11,620	
Progressive Totals:		Diff
North	86,529	4.5%
South	106,750	1.2%
West	46,481	16.7%

# AVERAGE AWEX MICRON PRICE GUIDES

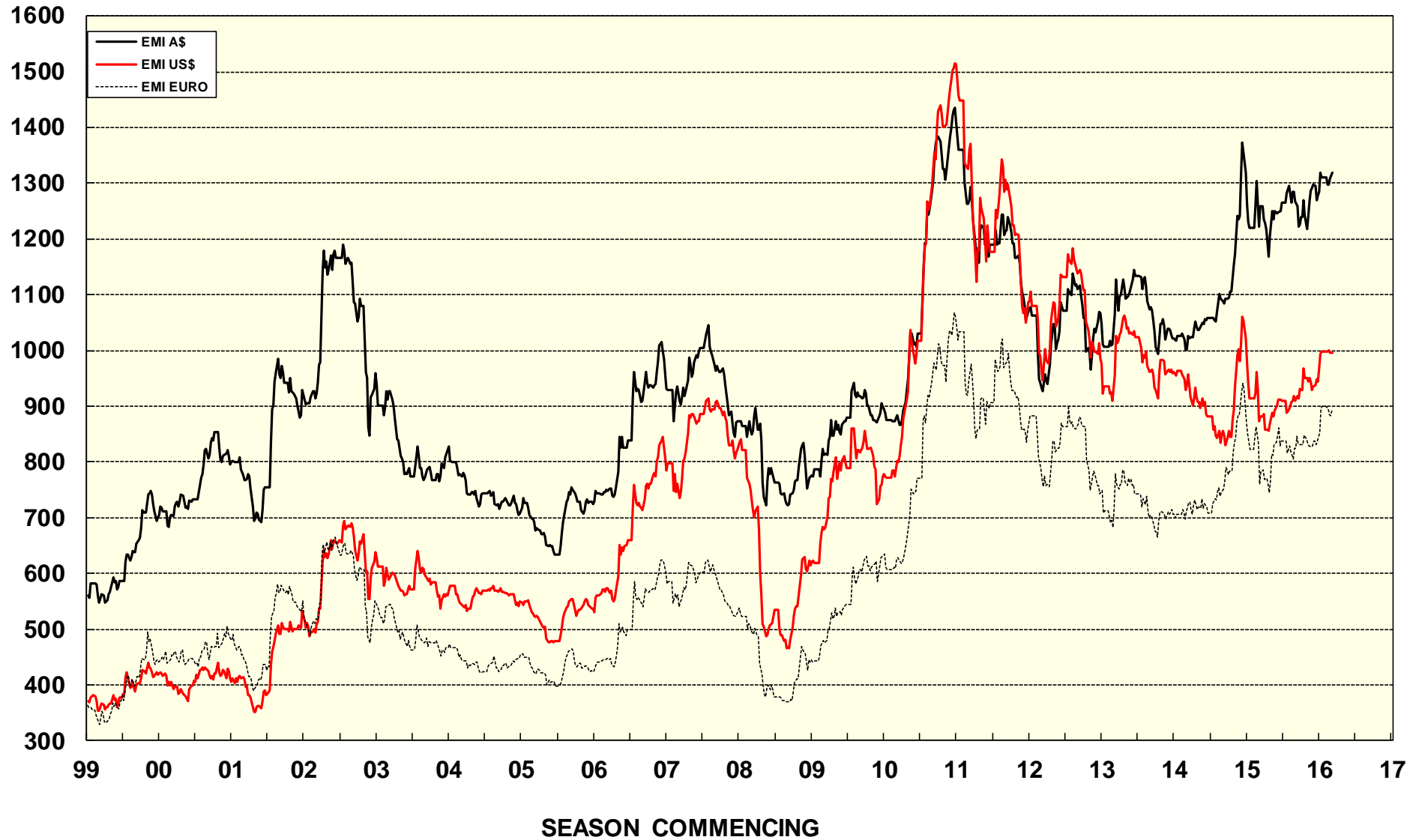
2016/17( black graph line) and 2015/16 (red graph line)



**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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