

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW

Week Ending 21 October 2016 (Week 16)

The AWEX EMI finished 13¢ higher (+1.0%) in Australian currency and 28¢ higher (+2.8%) in US currency at sales in Sydney, Melbourne and Fremantle this week.

34,556 bales were on offer nationally, compared with 29,372 bales last sale. 3.5% of the offering was passed in.

AWEX reports that the value of the wool sold was \$54.4 million (\$1,631 per bale).

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 16)									
Centre	Last Sale		Day-to-Day Changes (Week 16)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	15	1318	No Sale	+5	+8	+13 (+1.0%)	1331	+28	+29
Northern	15	1359	No Sale	+5	+8	+13 (+1.0%)	1372	+28	+30
Southern	15	1291	No Sale	+5	+9	+14 (+1.1%)	1305	+28	+30
Western	15	1375	No Sale	+6	+10	+16 (+1.2%)	1391	+31	+32

The market continued on from its firm close on Thursday of the previous week to record further rises in both Australian and US currency on both Wednesday and Thursday. The closing value of 1021¢ for the EMI in US currency is the highest for the season.

The market was again driven by rises for Merino types, with the AWEX MPGs up for all Merino micron ranges and wool types. The gains were more evenly distributed over the different micron values this week, which left the difference between the 16.5 and 22 micron MPGs at similar levels to those of last week. Merino Cardings were in strong demand, particularly on Thursday when their average AWEX Price Guide closed at 1094¢, the highest so far this season.

Crossbred wools eased again, with falls of around 0.5% on average.

The US Exchange Rate moved up sharply during the week to finish 1.33¢ (1.8%) higher at 76.70¢ on Thursday. Financial analysts attributed much of the lift to improved commodity prices, particularly for coal.

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

The expected number of bales on offer in the coming week is back up to 44,900.

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	233¢	255¢	265¢	266¢	279¢
South	220¢	240¢	265¢	261¢	266¢

Market Indicator	Changes From			
	Four Sales Ago Week 12	Start of the Season	Week 16 Last Year	Season Average to Week 16 Last Year
Eastern Market Indicator	+44 (+3.4%)	+15 (+1.1%)	+162 (+13.9%)	+72 (+5.8%)
Western Market Indicator	+28 (+2.1%)	-28 (-2.0%)	+186 (+15.4%)	+119 (+9.4%)

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 ¢		+9	+16	+7	+16	+17	+21	+12	+9	+17		
Change %		+0.5%	+1.0%	+0.4%	+1.0%	+1.1%	+1.4%	+0.8%	+0.6%	+1.2%		
Since Start of the Season												
Change ¢	+80	+82	+91	+89	+90	+54	+22	-36	-73	-76		
Change %	+5.1%	+5.2%	+5.8%	+5.8%	+5.9%	+3.6%	+1.5%	-2.4%	-4.9%	-5.2%		
Since Same Week Last Year												
Change ¢	+228	+250	+261	+249	+273	+276	+275	+226	+195	+181		
Change %	+15.9%	+17.8%	+18.7%	+18.0%	+20.4%	+21.4%	+22.1%	+18.4%	+16.1%	+15.0%		

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 ¢	+3	-9	-6	-2	0	+23
Change %	+0.3%	-0.8%	-0.8%	-0.3%	0.0%	+2.1%
Since Start of the Season						
Change ¢	-22	-16	-5	-31	-20	+8
Change %	-1.8%	-1.5%	-0.7%	-4.8%	-3.8%	+0.7%
Since Same Week Last Year						
Change ¢	+99	+78	-76	-170	-180	+42
Change %	+9.2%	+7.8%	-9.2%	-21.8%	-26.4%	+4.0%

Average Merino Cardings Price Guide

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AWIS WOOL MARKET REVIEW Week Ending 21 October 2016 (Week 16)

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 August ABS export data.

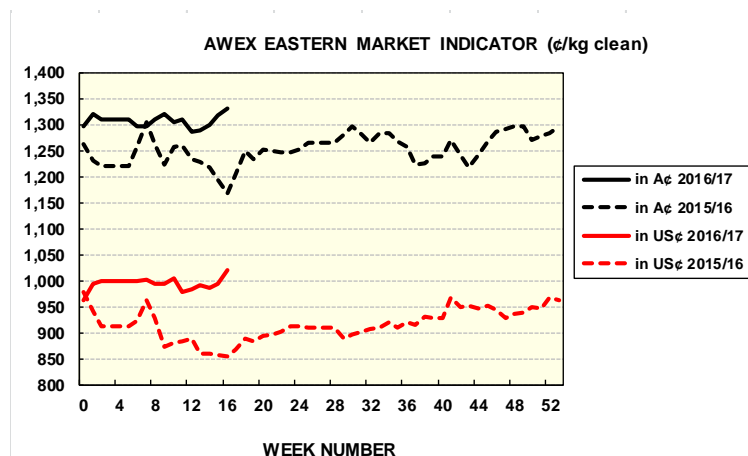
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re- Offered	Bales Sold
North	7,585	9,184	2.8%	0.8%	3.0%	8,930
South	13,485	16,671	3.6%	1.9%	4.6%	16,067
West	8,302	8,701	4.0%	1.1%	5.0%	8,349
Australia	29,372	34,556	3.5%	1.4%	4.3%	33,346

Actual and % Changes in the Progressive Offerings from Last Year	
-2,579	-1.7%
-4,403	-1.8%
+11,345	+12.4%
+4,363	+0.9%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 17	Week 18	Week 19	Differences
North	12,314	10,880	11,240	+9.5%
South	23,380	24,500	20,430	+16.2%
West	9,185	8,220	8,120	-9.0%
New Zealand	2,700	1,200		
Australia	44,879	43,600	39,790	+8.4%
Differences	+20.8%	+9.4%	-3.6%	

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	75.37	+0.45	+0.17	+0.72	-0.05	+0.04	+1.33 (+1.8%)	76.70	74.69	77.11
Euro	68.42	+0.33	+0.42	+0.46	+0.19	+0.14	+1.54 (+2.3%)	69.96	66.40	69.96

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to August	
	August 2016	July to August This Season	July to August Last Season	By Weight	By Value
China	76.9%	75.2%	74.5%	-2.0%	-3.6%
India	6.0%	7.5%	9.5%	-23.3%	-19.6%
Italy	6.3%	5.7%	5.0%	+5.9%	+19.8%
Czech Republic	5.3%	5.4%	3.4%	+54.3%	+61.7%
Malaysia	1.0%	1.0%	1.3%	-22.9%	-36.7%
Korea	1.7%	1.7%	1.5%	+5.7%	+2.9%
Taiwan	0.1%	0.7%	0.9%	-19.5%	-14.6%
Egypt	0.8%	1.0%	1.5%	-34.5%	-36.1%
Change all Countries				-2.9%	-3.7%



AVERAGE EMI	
This Year	1307
Last Year	1254
2014/15	1102
2013/14	1070
2012/13	1035

SEASON AVERAGES		
Region	This Year	Diff
North	1337	+58
South	1288	+50
West	1386	+78

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

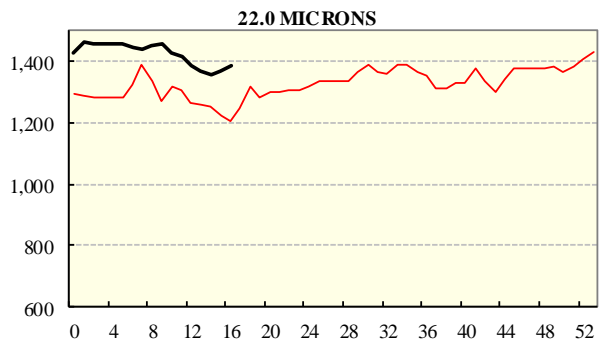
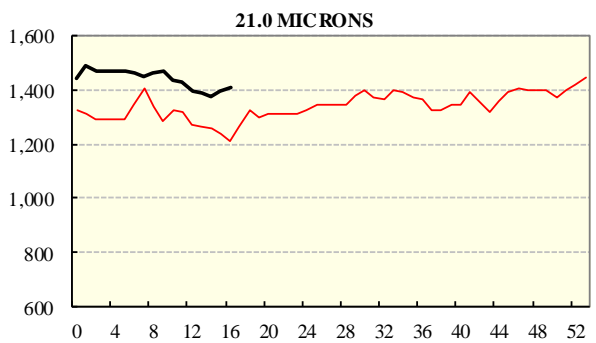
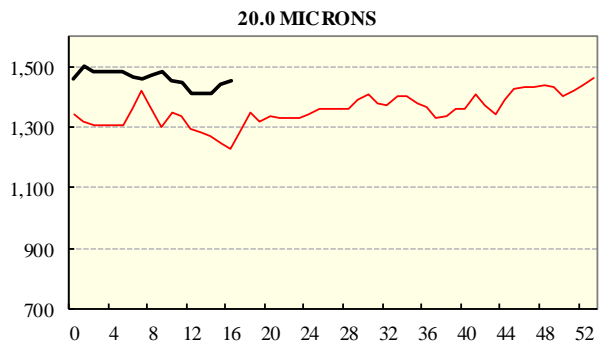
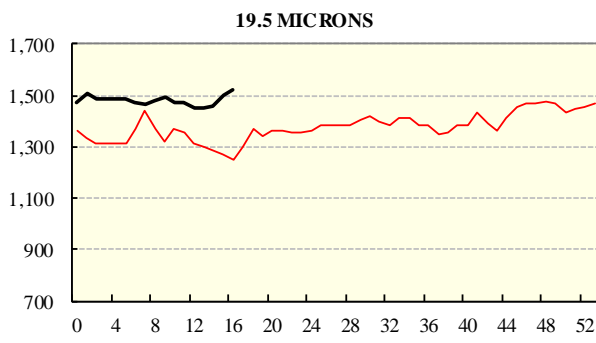
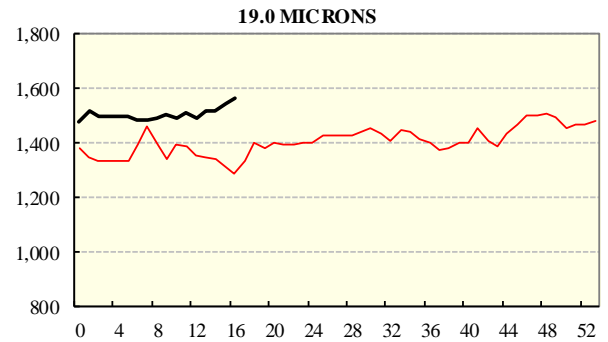
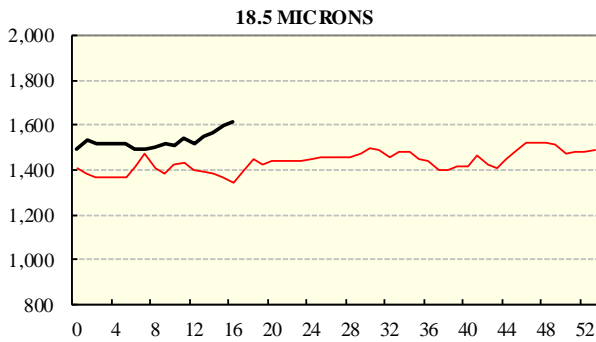
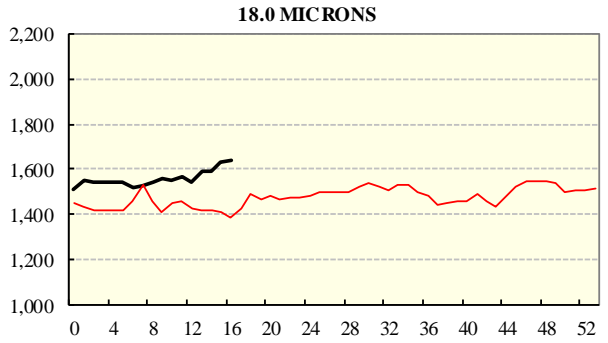
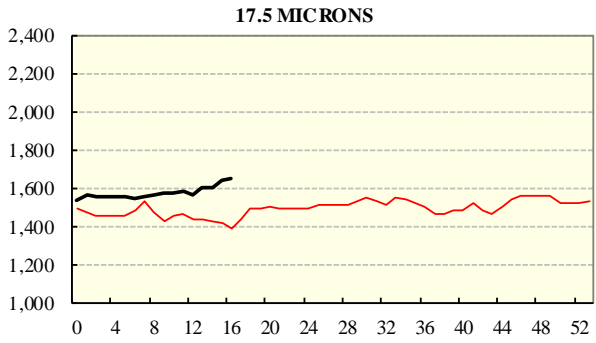
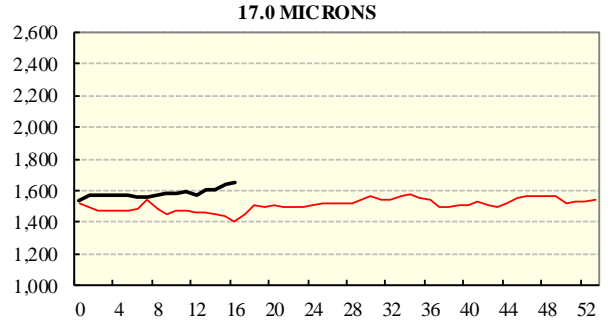
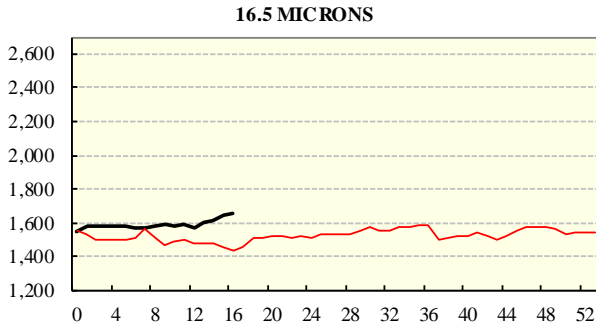
COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1372	+35
South	1305	4
West	1391	-28

BALES OFFERED	
This Year	489,636
Last Year	485,273
Difference	4,363
% Diff	0.9%
FIRST OFFERED BALES	
Difference	1.5%
% of Offering	95.7%

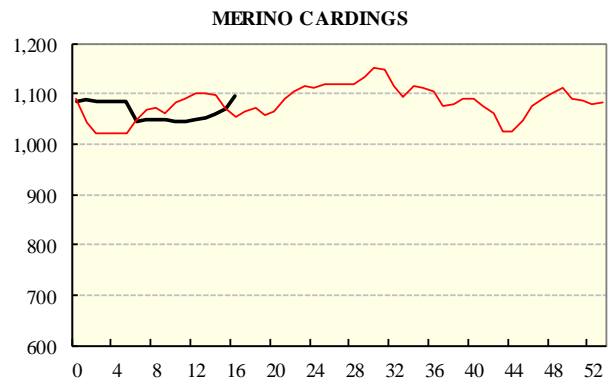
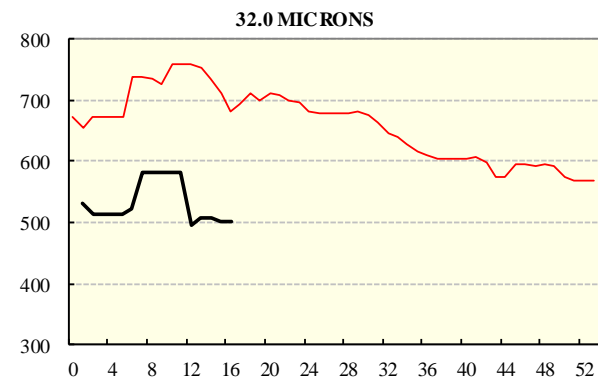
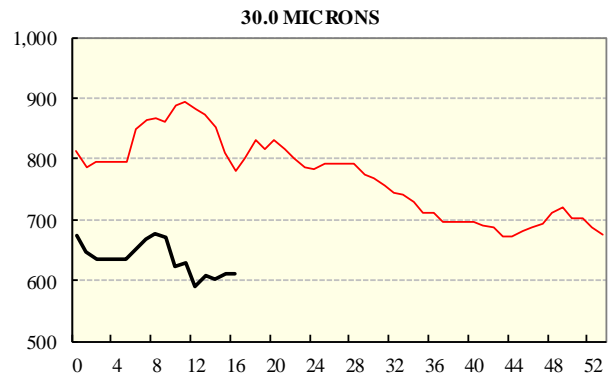
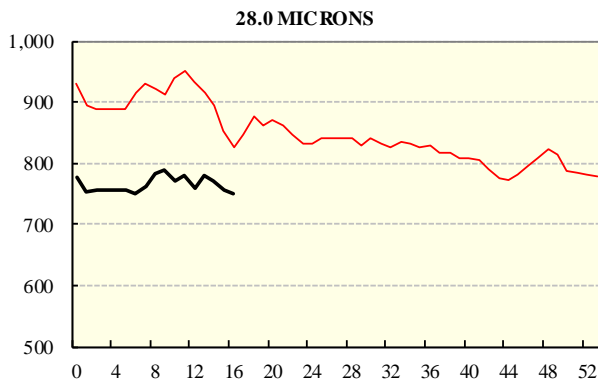
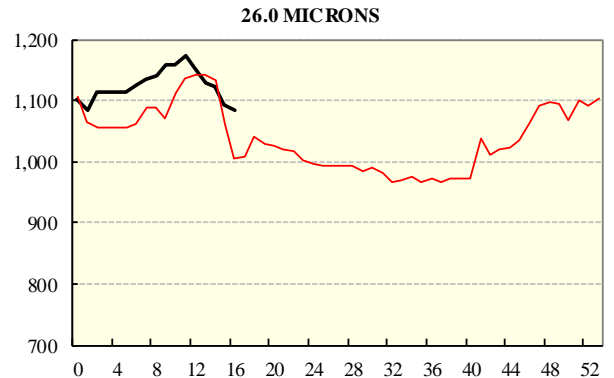
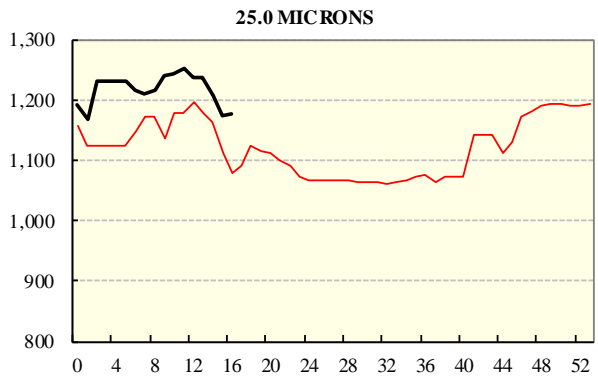
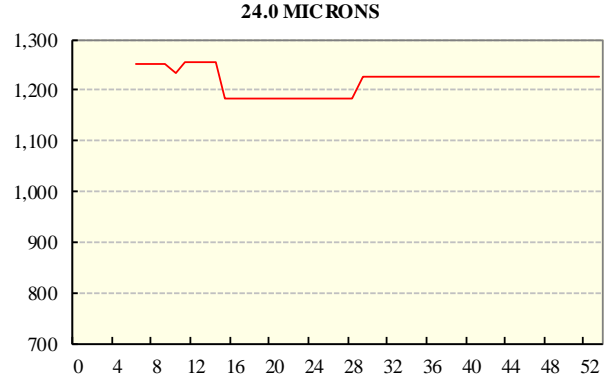
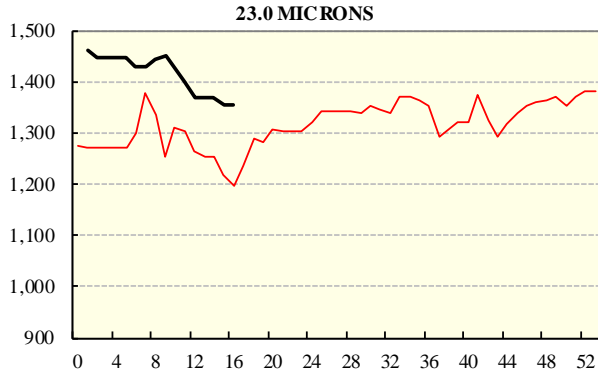
REGION BALES		
This Sale:		
North	6,880	
South	65	
West	9,184	
Progressive Totals:		Diff
North	151,211	-1.7%
South	235,939	-1.8%
West	102,486	12.4%

AVERAGE AWEX MICRON PRICE GUIDES

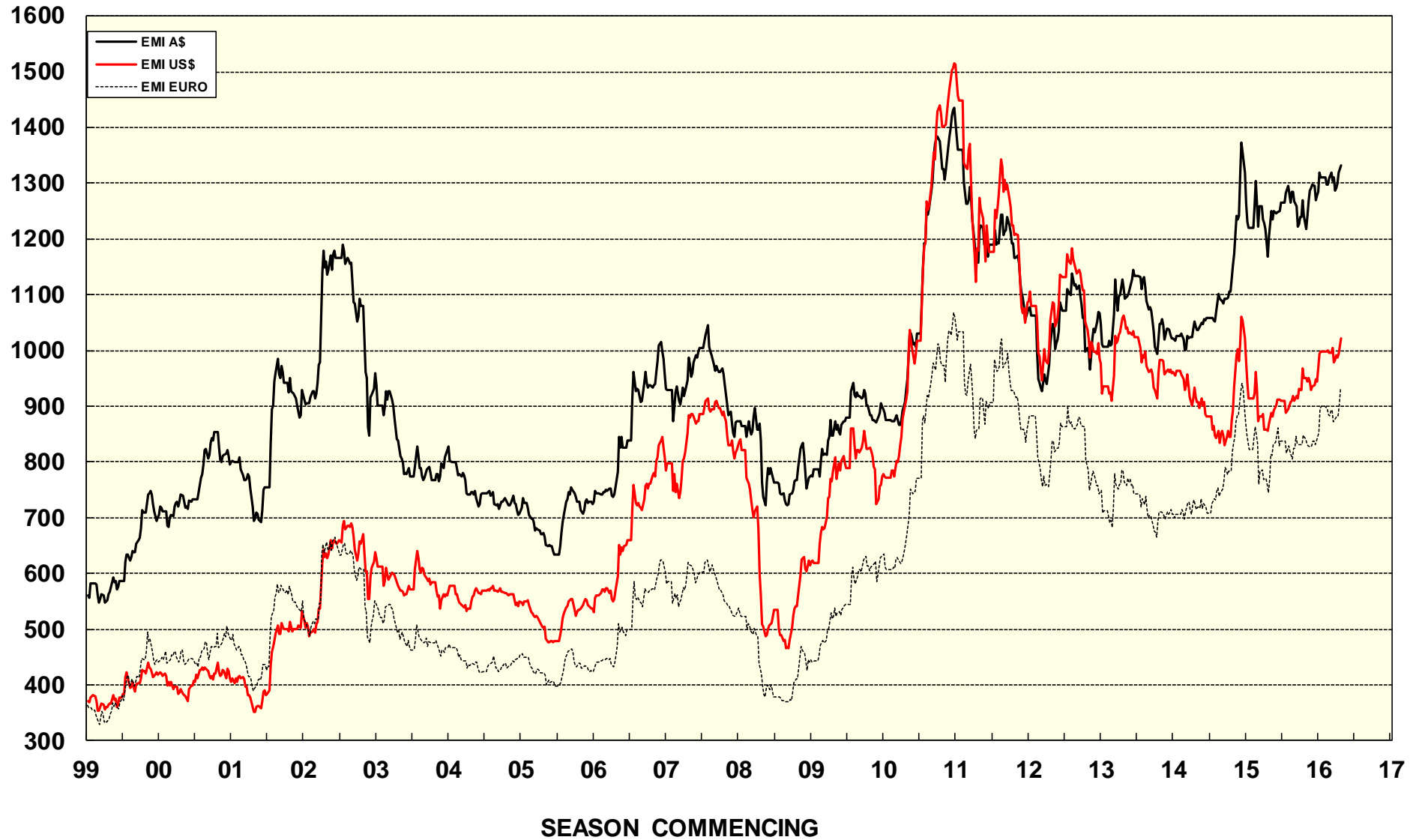
2016/17(black graph line) and 2015/16 (red graph line)



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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