

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW

Week Ending 23 September 2016 (Week 12)

The AWEX EMI finished at 1287¢, 24¢ lower (-1.8%) in Australian currency and 4¢ higher (+0.4%) in US currency at sales in Sydney, Melbourne and Fremantle this week.

37,676 bales were on offer nationally, compared with 37,436 bales last sale. Growers responded to fall in the market in Australian currency by passing-in 13.2% of the offering, including 14.8% of the Merino fleece.

AWEX reports that the value of the wool sold was \$50.5 million (\$1,544 per bale).

The New Zealand Merino Company offered 1,914 bales in Melbourne on Tuesday. 13.2% was also passed in.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 12)									
Centre	Last Sale		Day-to-Day Changes (Week 12)			Sale-to-Sale	Closing	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday	Change	Indicator	US ¢	Euro ¢
Eastern	11	1311	No Sale	-13	-11	-24 (-1.8%)	1287	+4	+7
Northern	11	1340	No Sale	-13	-11	-24 (-1.8%)	1316	+4	+7
Southern	11	1290	No Sale	-13	-11	-24 (-1.9%)	1266	+3	+6
Western	11	1384	No Sale	-19	-2	-21 (-1.5%)	1363	+7	+10

Wool prices in Australian currency were affected by changes in the US exchange rate for the third successive week, with changes of +2.1%, -3.0% and +2.2% over the three sale period.

There were falls in the AWEX Micron Price Guides across all Merino and crossbred micron ranges and across all wool. Merino types were least affected at the fine end as was the case in the two previous sales. This has resulted in the average difference between the closing average AWEX MPGs for 22 microns and 16.5 microns increasing from 127¢ to 192¢ over the last four sales.

The US Exchange Rate finished 1.68¢ (2.2%) higher to close at 76.37¢ on Thursday. Financial analysts attributed the increase to the decision of the United States Federal Reserve on Tuesday to again leave interest rates at their current level for the foreseeable future.

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

Looking ahead, the offerings continue to be ahead of the same times last year (+6.0%).

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	144¢	163¢	185¢	191¢	201¢
South	133¢	162¢	178¢	182¢	183¢

Market Indicator	Changes From			
	Four Sales Ago Week 08	Start of the Season	Week 12 Last Year	Season Average to Week 12 Last Year
Eastern Market Indicator	-22 (-1.7%)	-29 (-2.2%)	+53 (+4.3%)	+56 (+4.5%)
Western Market Indicator	No Sale	-56 (-3.9%)	+92 (+7.2%)	+145 (+11.6%)

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 ¢		-22	-21	-22	-18	-22	-23	-39	-36	-31	-32	
Change %		-1.4%	-1.3%	-1.4%	-1.2%	-1.5%	-1.6%	-2.7%	-2.5%	-2.2%	-2.3%	
Since Start of the Season												
Change ¢	-6	0	+2	-1	-2	-22	-50	-82	-87	-75	-85	
Change %	-0.4%	0.0%	+0.1%	-0.1%	-0.1%	-1.5%	-3.3%	-5.5%	-5.9%	-5.1%	-5.8%	
Since Same Week Last Year												
Change ¢	+92	+113	+127	+116	+121	+131	+133	+117	+120	+120	+105	
Change %	+6.2%	+7.8%	+8.8%	+8.1%	+8.6%	+9.7%	+10.1%	+9.1%	+9.4%	+9.5%	+8.3%	

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 ¢	-16	-21	-22	-39		+4
Change %	-1.3%	-1.8%	-2.8%	-6.2%		+0.4%
Since Start of the Season						
Change ¢	+38	+51	+4	-51	-28	-38
Change %	+3.2%	+4.6%	+0.5%	-8.0%	-5.4%	-3.5%
Since Same Week Last Year						
Change ¢	+42	+9	-173	-293	-263	-53
Change %	+3.5%	+0.8%	-18.6%	-33.2%	-34.7%	-4.8%

Average Merino Cardings Price Guide

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AWIS WOOL MARKET REVIEW Week Ending 23 September 2016 (Week 12)

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 July ABS export data.

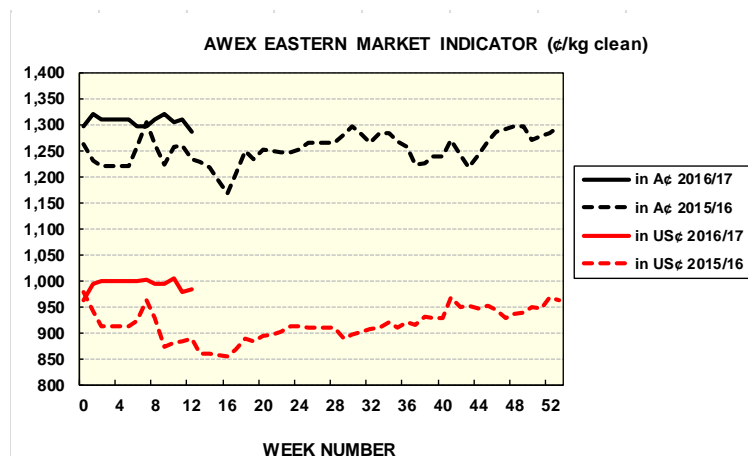
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re- Offered	Bales Sold
North	10,322	8,012	8.4%	0.7%	5.5%	7,341
South	19,519	22,573	15.7%	2.0%	2.4%	19,028
West	7,595	7,091	10.7%	3.2%	4.3%	6,335
Australia	37,436	37,676	13.2%	1.9%	3.4%	32,704

Actual and % Changes in the Progressive Offerings from Last Year	
+4,794	+4.3%
+8,038	+5.0%
+7,235	+11.6%
+20,067	+6.0%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 13	Week 14	Week 15	Differences
North	10,292	11,220	10,370	+0.8%
South	18,299	22,483	23,300	+11.9%
West	6,962	7,820	7,820	+8.9%
New Zealand			2,000	
Australia	35,553	41,523	41,490	+8.1%
Differences	+7.3%	+7.1%	+9.9%	

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	74.69	+0.42	+0.33	-0.02	+0.13	+0.82	+1.68 (+2.2%)	76.37	74.69	77.11
Euro	66.40	+0.42	+0.71	-0.05	+0.37	+0.34	+1.79 (+2.7%)	68.19	66.40	68.98

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to July	
	July 2016	July to July This Season	July to July Last Season	By Weight	By Value
China	73.9%	73.9%	74.8%	-6.2%	-10.2%
India	8.5%	8.5%	10.5%	-22.9%	-19.2%
Italy	5.3%	5.3%	5.2%	-1.8%	+17.2%
Czech Republic	5.5%	5.5%	2.0%	+155.0%	+155.2%
Malaysia	1.1%	1.1%	1.7%	-37.6%	-44.3%
Korea	1.7%	1.7%	1.4%	+13.9%	+16.6%
Taiwan	1.2%	1.2%	0.8%	+45.6%	+52.7%
Egypt	1.2%	1.2%	1.9%	-41.3%	-41.8%
Change all Countries				-5.0%	-7.4%



AVERAGE EMI	
This Year	1306
Last Year	1254
2014/15	1102
2013/14	1070
2012/13	1035

SEASON AVERAGES		
Region	This Year	Diff
North	1331	+52
South	1290	+52
West	1395	+87

THIS YEAR'S EMI	
This Week	1287
First Week	1320
Low (26/10)	1287
High (23/11)	1320

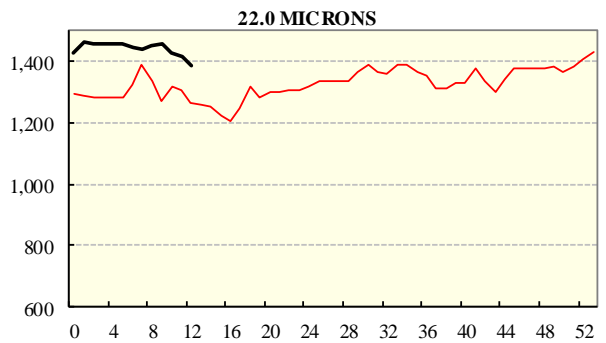
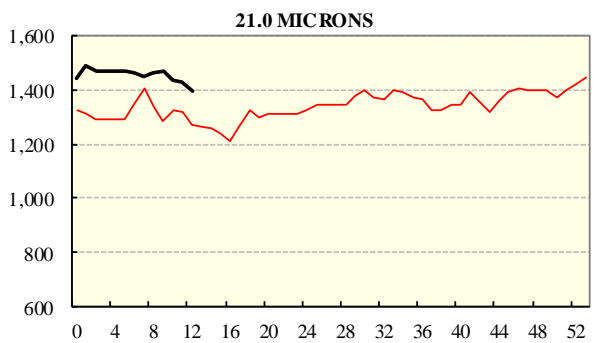
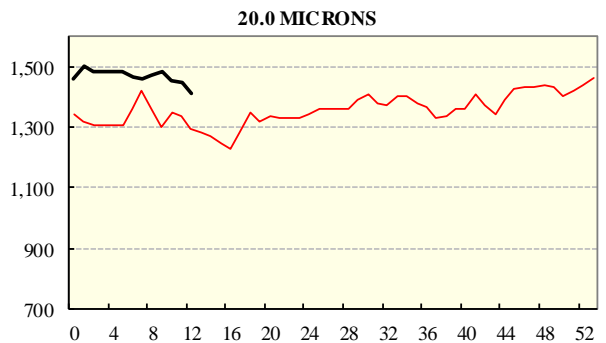
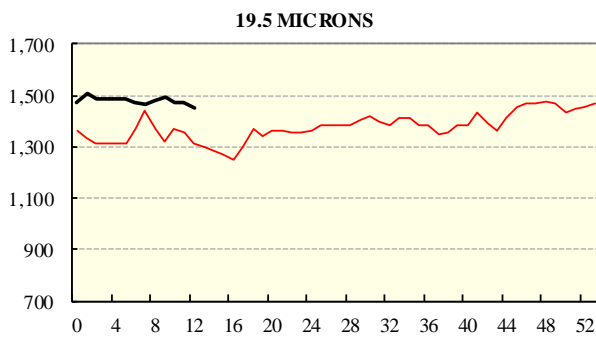
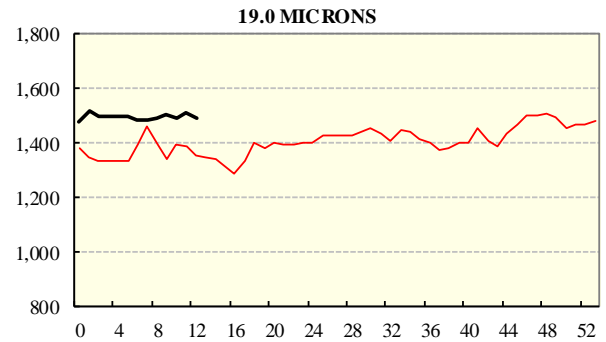
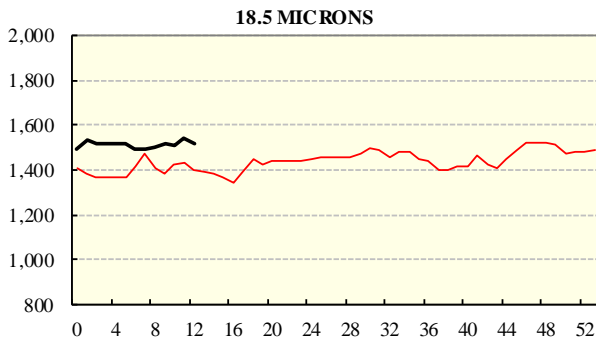
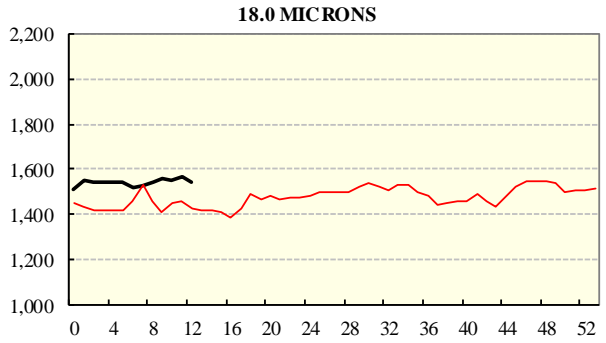
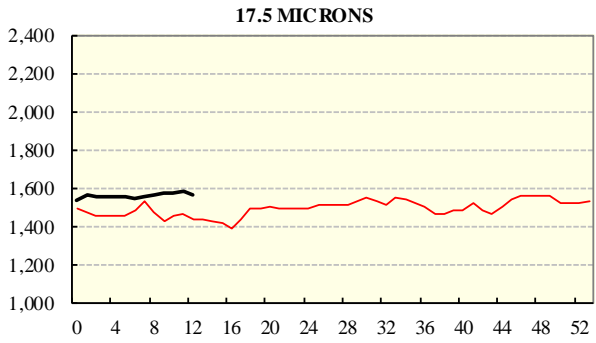
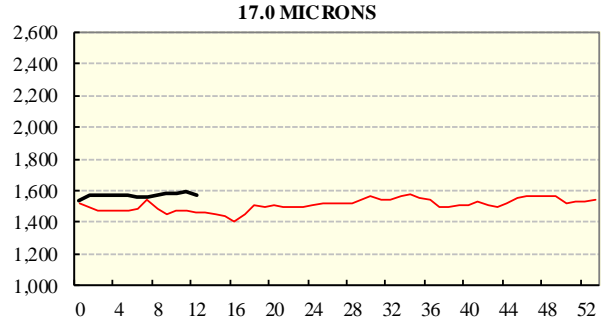
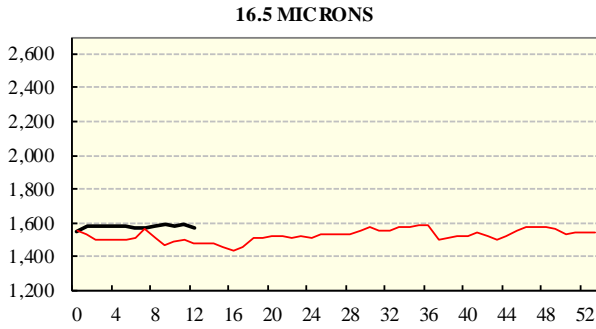
COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1316	-21
South	1266	-35
West	1363	-56

BALES OFFERED	
This Year	354,942
Last Year	334,875
Difference	20,067
% Diff	6.0%
FIRST OFFERED BALES	
Difference	7.2%
% of Offering	95.9%

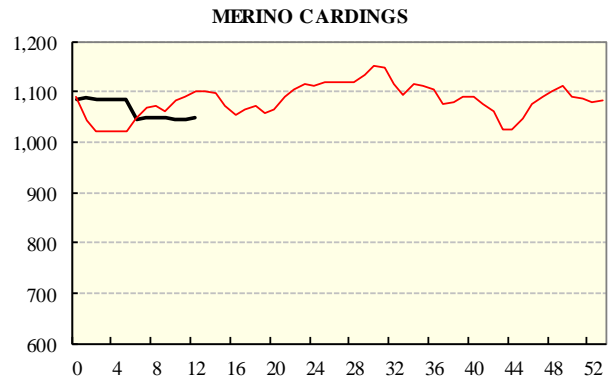
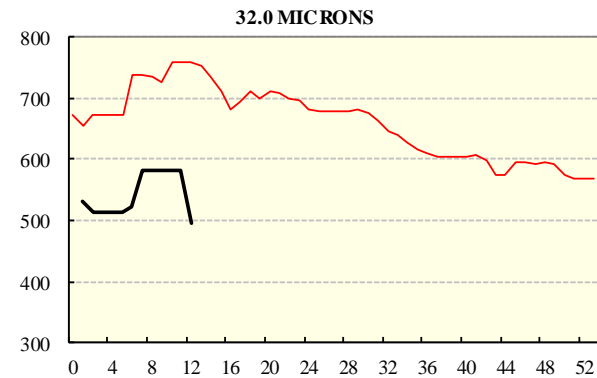
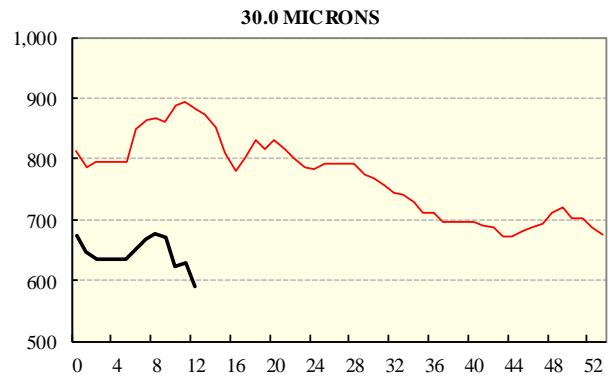
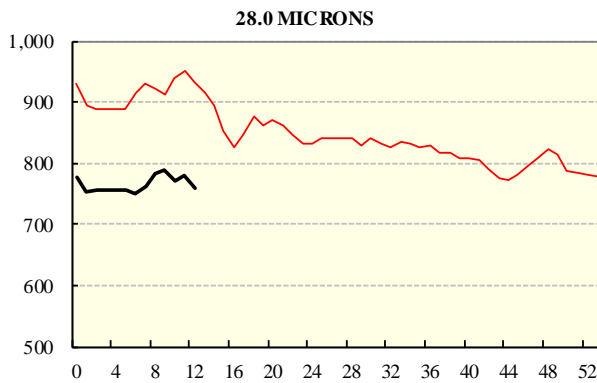
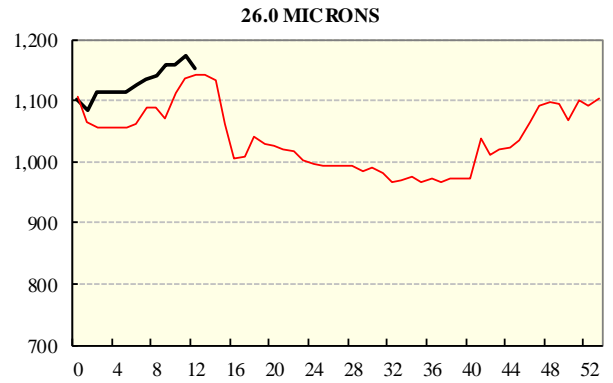
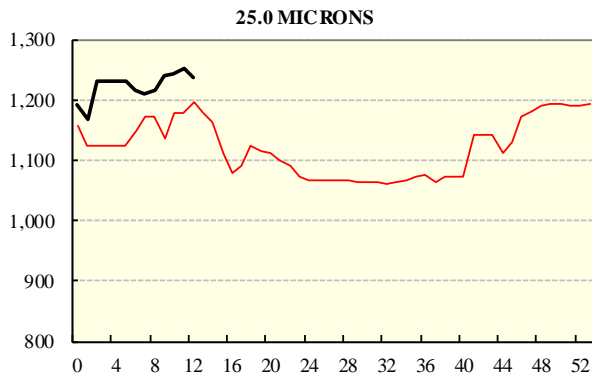
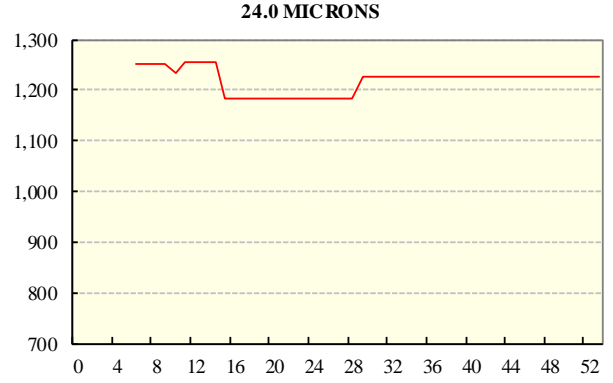
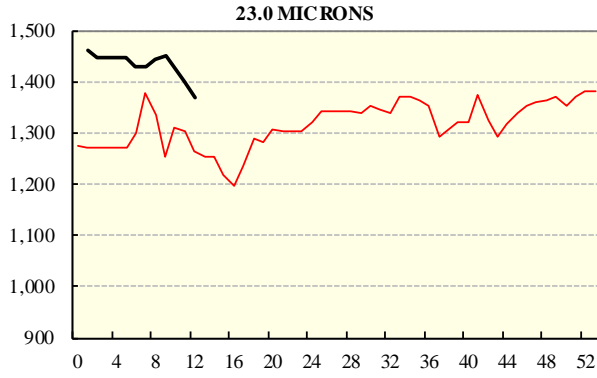
REGION BALES		
This Sale:		
North	6,555	
South	64	
West	8,012	
Progressive Totals:		Diff
North	116,485	4.3%
South	168,943	5.0%
West	69,514	11.6%

AVERAGE AWEX MICRON PRICE GUIDES

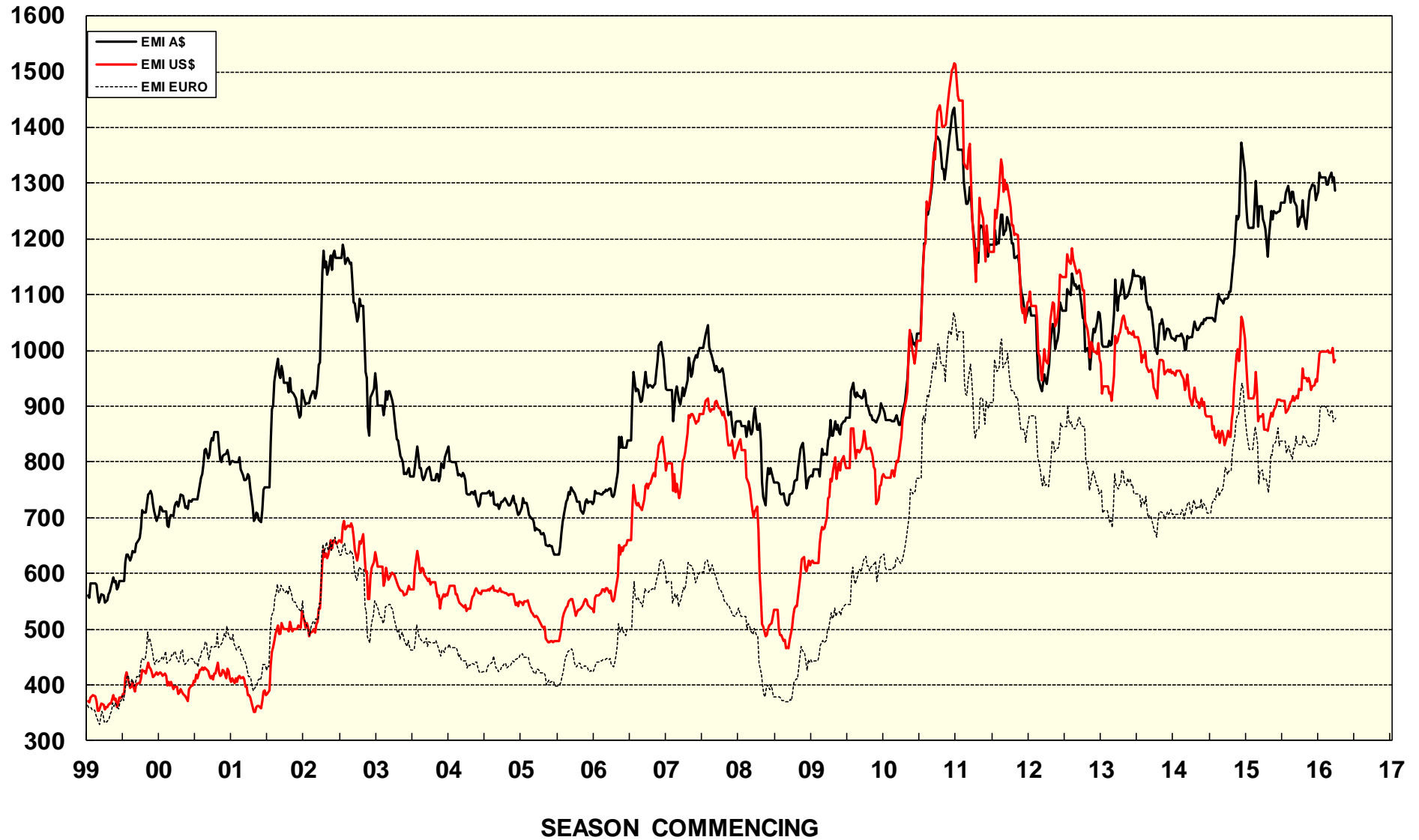
2016/17(black graph line) and 2015/16 (red graph line)



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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