

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW

Week Ending 25 November 2016 (Week 21)

The AWEX EMI finished 49¢ higher (+3.7%) in Australian currency and 22¢ higher (+2.2%) in US currency at sales in Sydney, Melbourne and Fremantle this week.

45,727 bales were on offer nationally, compared with 47,190 bales last sale. 3.4% of the offering was passed in. The 3.4% included 1.1% for Merino fleece and skirtings; and 10.4% for crossbreds.

AWEX reports that the value of the wool sold was \$69.3 million (\$1,568 per bale).

The New Zealand Merino Company offered 1,742 bales in Melbourne on Tuesday, of which 7.3% were passed in.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 21)									
Centre	Last Sale		Day-to-Day Changes (Week 21)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	20	1314	+2	+25	+22	+49 (+3.7%)	1363	+22	+35
Northern	20	1359	No Sale	+33	+26	+59 (+4.3%)	1418	+30	+42
Southern	20	1285	+4	+19	+19	+42 (+3.3%)	1327	+18	+30
Western	20	1382	No Sale	+30	+26	+56 (+4.1%)	1438	+28	+40

The market began steadily on Tuesday, but picked up strongly on Wednesday and Thursday on a combination of very good demand and a weakening exchange rate, to record the biggest week-to-week gains since June last year.

The greatest gains were again in the Merino types, with increases of 4.0 to 4.5% across nearly all average AWEX MPGs. Merino skirtings and oddments also had a very good week. The average AWEX Merino Cardings Price Guide closed at 1137¢, its highest level since January this year. Crossbreds also made gains (except at 26 microns) after several weeks of downward price movements.

The US currency continued to strengthen during the week, leading to a further lowering of the US Exchange Rate. It finished 1.03¢ (-1.4%) lower to close at 73.75¢ on Thursday, the lowest value since June last year.

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

Looking ahead, the three sales prior to the Christmas break are currently expected to range from 45,500 to 48,600 bales.

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	274¢	301¢	321¢	330¢	346¢
South	257¢	286¢	302¢	313¢	319¢

Market Indicator	Changes From			
	Four Sales Ago Week 17	Start of the Season	Week 21 Last Year	Season Average to Week 21 Last Year
Eastern Market Indicator	+32 (+2.4%)	+47 (+3.6%)	+114 (+9.1%)	+75 (+6.1%)
Western Market Indicator	+45 (+3.2%)	+19 (+1.3%)	+142 (+11.0%)	+115 (+9.0%)

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 ¢	+72	+73	+73	+72	+64	+59	+63	+64	+59	+50	+58	
Change %	+4.3%	+4.4%	+4.4%	+4.4%	+4.0%	+3.8%	+4.2%	+4.4%	+4.3%	+3.7%	+4.3%	
Since Start of the Season												
Change ¢	+161	+161	+158	+156	+147	+113	+78	+19	-43	-51	-59	
Change %	+10.2%	+10.3%	+10.1%	+10.1%	+9.7%	+7.5%	+5.2%	+1.3%	-2.9%	-3.5%	-4.1%	
Since Same Week Last Year												
Change ¢	+224	+229	+225	+233	+230	+229	+216	+178	+129	+111	+92	
Change %	+14.8%	+15.2%	+15.0%	+15.9%	+16.0%	+16.4%	+15.9%	+13.4%	+9.9%	+8.5%	+7.1%	

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 ¢	+14	-16	+7	+16	+7	+31
Change %	+1.3%	-1.6%	+1.0%	+2.9%	+1.6%	+2.8%
Since Start of the Season						
Change ¢	-124	-128	-77	-66	-74	+51
Change %	-10.3%	-11.6%	-10.2%	-10.3%	-14.1%	+4.7%
Since Same Week Last Year						
Change ¢	-26	-49	-183	-241	-259	+49
Change %	-2.4%	-4.8%	-21.3%	-29.5%	-36.6%	+4.5%

Average Merino Cardings Price Guide

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AWIS WOOL MARKET REVIEW

Week Ending 25 November 2016 (Week 21)

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.

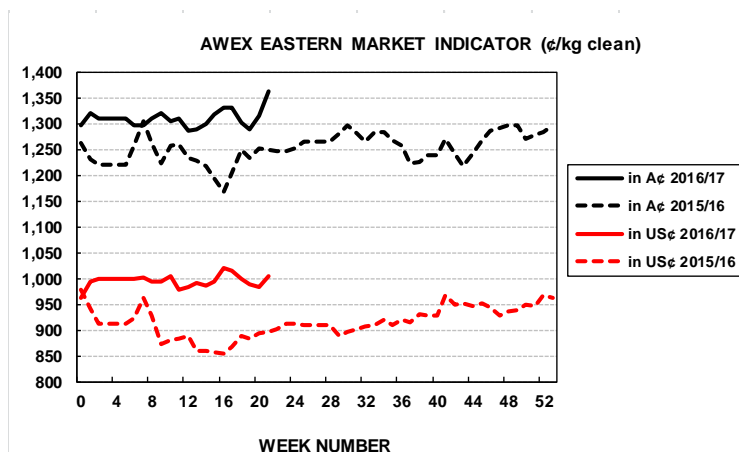
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re- Offered	Bales Sold
North	12,258	12,997	3.9%	1.1%	4.3%	12,484
South	26,930	22,158	3.1%	1.5%	5.0%	21,461
West	8,002	10,572	3.1%	1.2%	6.5%	10,245
Australia	47,190	45,727	3.4%	1.3%	5.1%	44,190

Actual and % Changes in the Progressive Offerings from Last Year	
+8,151	+4.0%
+8,736	+2.5%
+13,997	+10.2%
+30,884	+4.5%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 22	Week 23	Week 24	Differences
North	14,860	11,120	11,920	+19.9%
South	24,476	26,186	26,745	+16.2%
West	9,267	8,230	8,520	+7.3%
New Zealand		750		
Australia	48,603	45,536	47,185	+15.4%
Differences	+16.5%	+22.5%	+8.4%	

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	74.78	-0.84	-0.70	+0.74	+0.29	-0.52	-1.03 (-1.4%)	73.75	73.75	77.11
Euro	69.90	-0.19	-0.59	+0.48	+0.29	+0.05	+0.04 (+0.1%)	69.94	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	1311
Last Year	1254
2014/15	1102
2013/14	1070
2012/13	1035

SEASON AVERAGES		
Region	This Year	Diff
North	1345	+66
South	1289	+51
West	1386	+78

THIS YEAR'S EMI	
This Week	1363
First Week	1320
Low (26/10)	1287
High (17/10)	1363

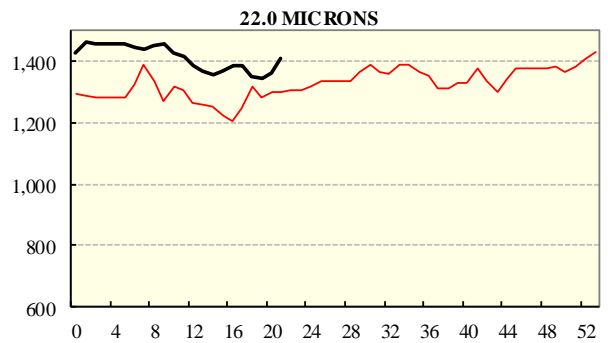
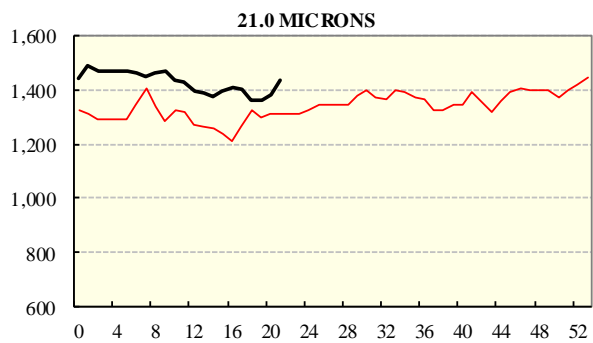
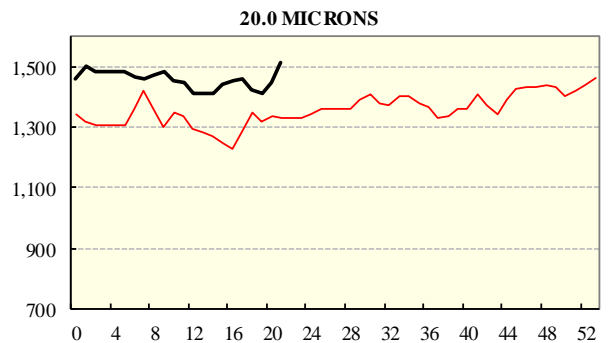
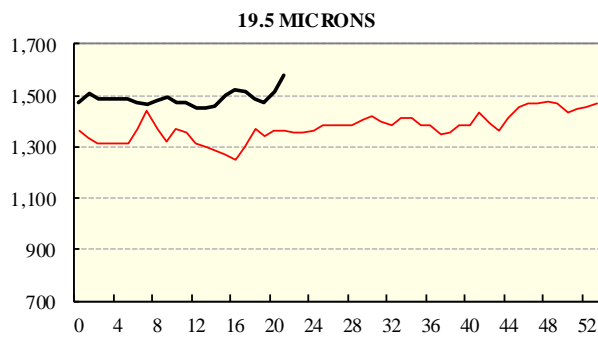
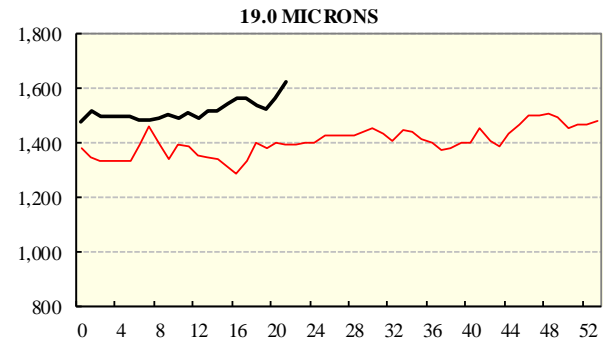
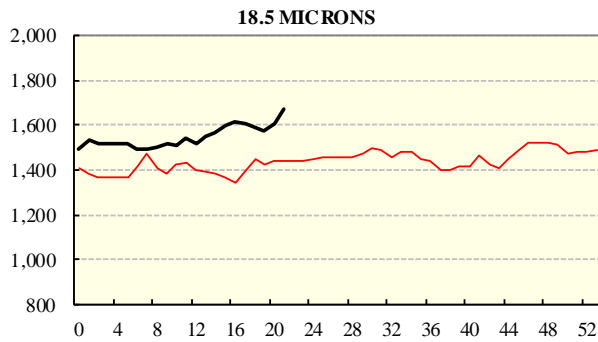
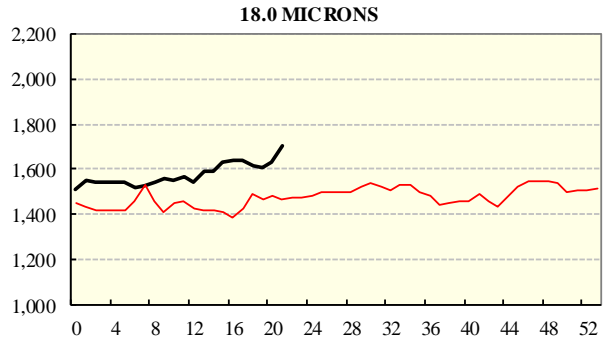
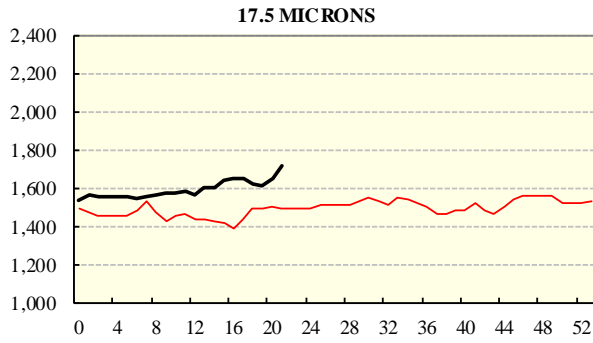
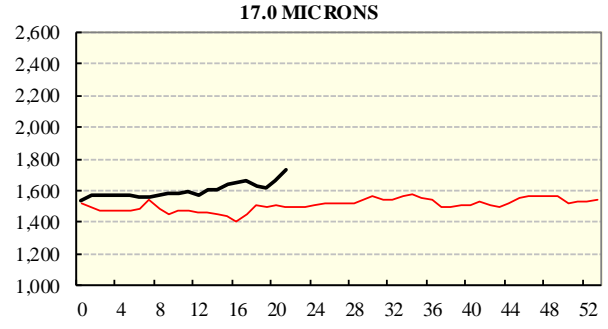
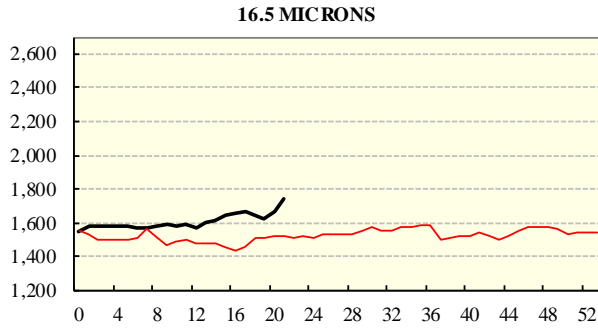
COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1418	+81
South	1327	+26
West	1438	+19

BALES OFFERED	
This Year	721,717
Last Year	690,833
Difference	+30,884
% Diff	+4.5%
FIRST OFFERED BALES	
Difference	+4.9%
% of Offering	96%

REGION BALES		
This Sale:		
North	12,997	
South	22,158	
West	10,572	
Progressive Totals:		
North	214,336	+4.0%
South	356,598	+2.5%
West	150,783	+10.2%

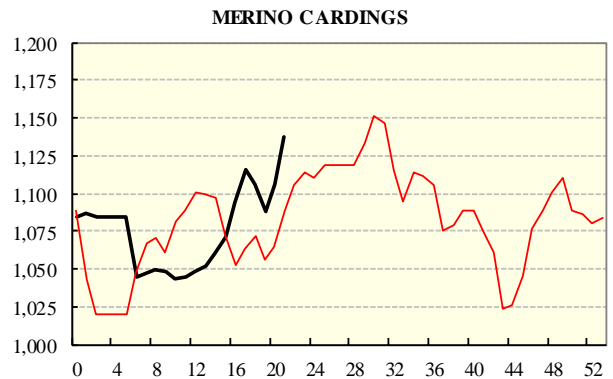
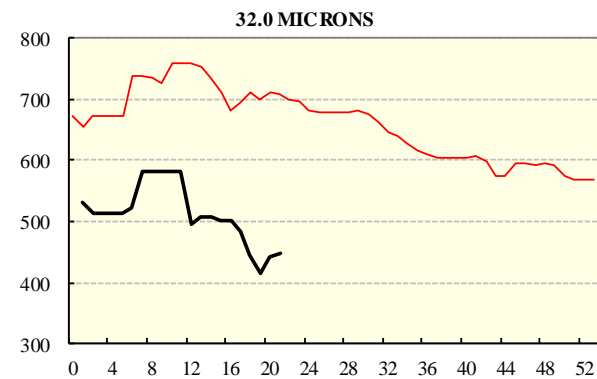
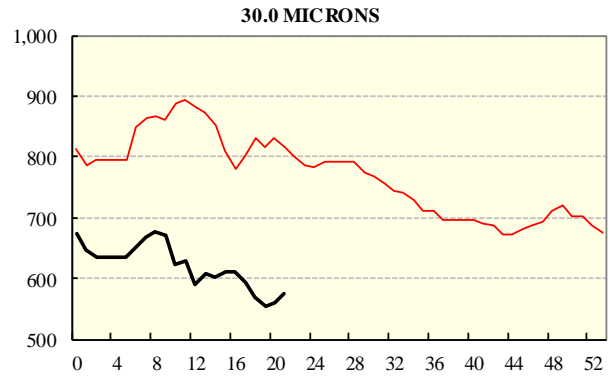
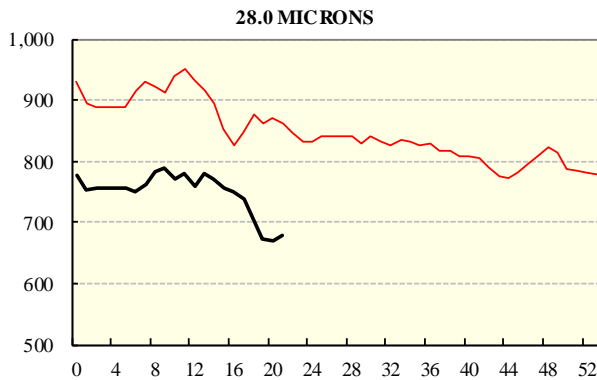
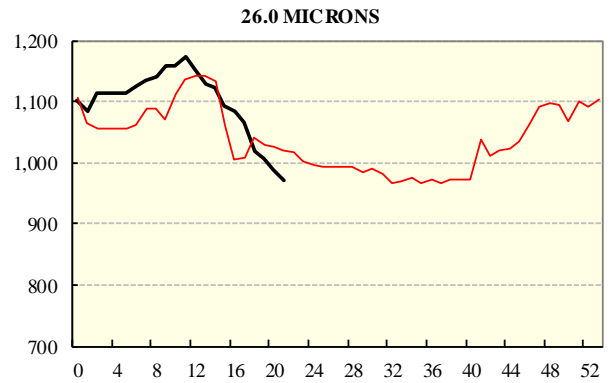
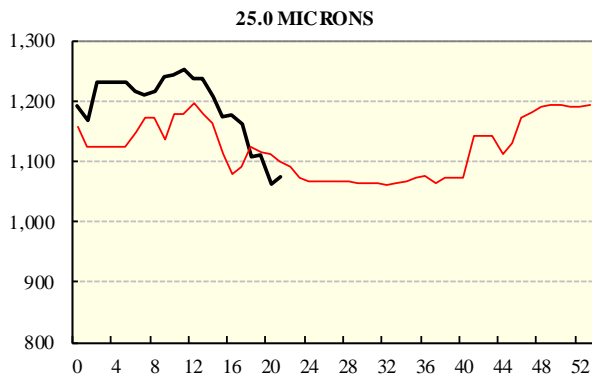
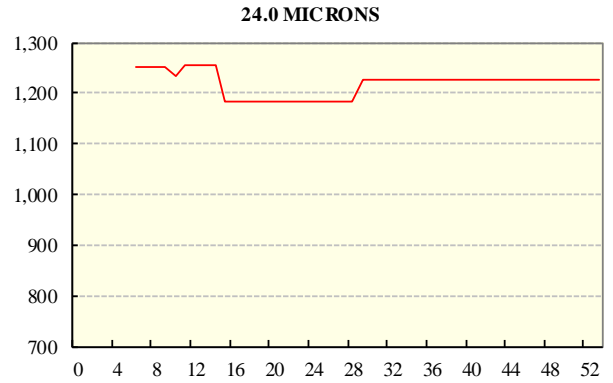
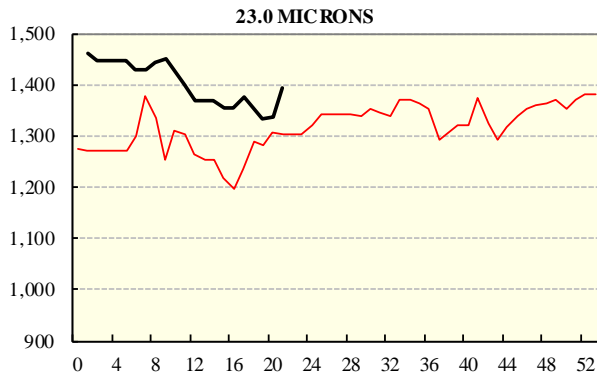
AVERAGE AWEX MICRON PRICE GUIDES

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

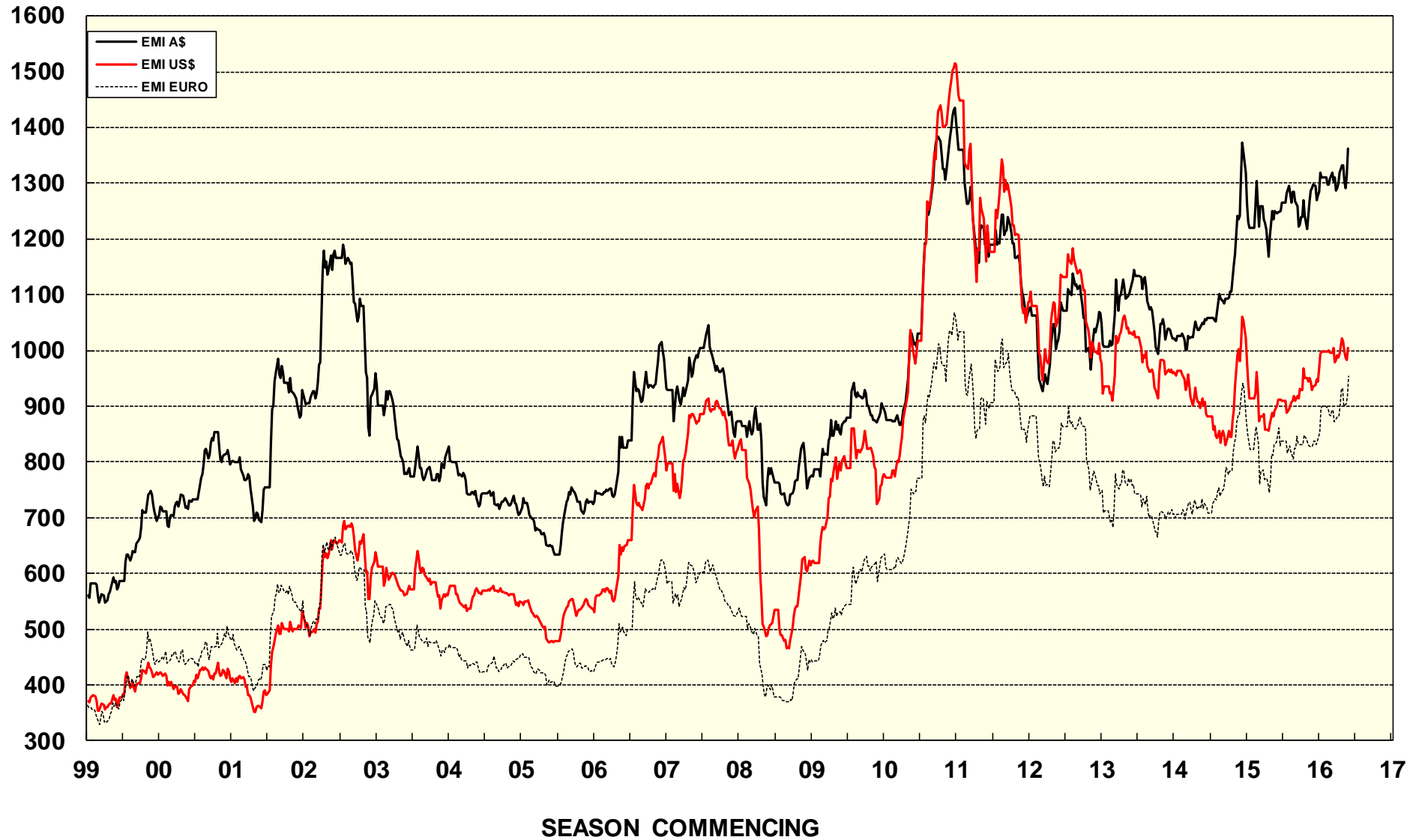


AVERAGE AWEX MICRON PRICE GUIDES

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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