

# AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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## AWIS WOOL MARKET REVIEW

Week Ending 27 January 2017 (Week 30)

The AWEX EMI finished at 1412¢, 22¢ lower (-1.5%) in Australian currency and 14¢ lower (-1.3%) in US currency at sales in Sydney, Melbourne and Fremantle this week.

46,370 bales were on offer nationally, compared with 56,077 bales last sale. 13.3% of the offering was passed in, once again demonstrating that the pass-in rate is often determined more by the direction of the market than by the level of the market.

AWEX reports that the value of the wool sold was \$65.0 million (\$1,617 per bale).

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 30)									
Centre	Last Sale		Day-to-Day Changes (Week 30)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	29	1434	-21	-1	No Sale	-22 (-1.5%)	1412	-14	-22
Northern	29	1506	-20	+1	No Sale	-19 (-1.3%)	1487	-11	-20
Southern	29	1387	-21	-2	No Sale	-23 (-1.7%)	1364	-14	-21
Western	29	1476	-19	0	No Sale	-19 (-1.3%)	1457	-11	-19

The market corrected on Tuesday after the gains of 67¢ and 12¢ in the two previous weeks, before steadying on Wednesday. Despite the correction, the closing EMI at 1422¢ was higher than any value achieved in the first half of the season; and the highest since the previous peak in June 2011. The EMI in US currency at 1065¢ was the second highest value for the season. The Superfine Merino wools did best, as in the two previous weeks, with the broader and off-type Merinos progressively doing less well. Among the other types, the Merino Cardings eased slightly, but are still at a very high level (1167¢) and crossbreds eased further.

The different movements between Superfine and broader Merino prices has taken the differences between the 16.5 and 22.0 average AWEX MPGs to 652¢ in the North and 645¢ in the South.

The US Exchange Rate gained half a cent up to Tuesday evening before easing slightly on Wednesday to finish 0.21¢ (0.3%) higher to close at 75.43¢ on Wednesday.

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

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	454¢	529¢	597¢	626¢	652¢
South	434¢	507¢	590¢	603¢	645¢

Market Indicator	Four Sales Ago Week 23	Changes From			Season Average to Week 30 Last Year
		Start of the Season	Week 30 Last Year	Week 30 Last Year	
Eastern Market Indicator	+63 (+4.7%)	+96 (+7.3%)	+116 (+9.0%)	+88 (+7.1%)	
Western Market Indicator	+46 (+3.3%)	+38 (+2.7%)	+85 (+6.2%)	+119 (+9.3%)	

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
<b>Since Last Sale</b>												
Change ¢	-3	-5	-5	-12	-20	-20	-32	-41	-37	-38		
Change %	-0.1%	-0.3%	-0.3%	-0.6%	-1.1%	-1.2%	-1.9%	-2.6%	-2.5%	-2.7%		
<b>Since Start of the Season</b>												
Change ¢	+441	+418	+404	+344	+289	+210	+128	+37	-55	-82		
Change %	+27.9%	+26.6%	+25.8%	+22.2%	+19.0%	+13.9%	+8.5%	+2.5%	-3.7%	-5.6%		
<b>Since Same Week Last Year</b>												
Change ¢	+449	+426	+416	+350	+312	+265	+209	+122	+28	-7		
Change %	+28.5%	+27.3%	+26.8%	+22.7%	+20.8%	+18.2%	+14.7%	+8.7%	+2.0%	-0.5%		

Sale-to-Sale Changes in Other Average AWEX Price Guides						
Micron	25.0	26.0	28.0	30.0	32.0	MC <sup>#</sup>
<b>Since Last Sale</b>						
Change ¢	-19	-14	-4	-19	-17	-7
Change %	-1.8%	-1.5%	-0.6%	-3.4%	-4.0%	-0.6%
<b>Since Start of the Season</b>						
Change ¢	-167	-182	-94	-97	-112	+81
Change %	-13.9%	-16.5%	-12.5%	-15.1%	-21.4%	+7.5%
<b>Since Same Week Last Year</b>						
Change ¢	-33	-73	-179	-225	-265	+16
Change %	-3.1%	-7.4%	-21.3%	-29.3%	-39.2%	+1.4%

# Average Merino Cardings Price Guide

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Week Ending 27 January 2017 (Week 30)

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 November ABS export data.

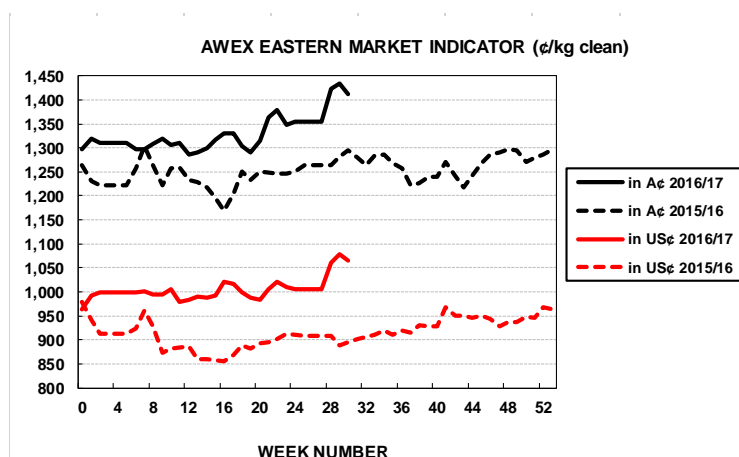
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re- Offered	Bales Sold
North	15,590	11,546	9.6%	0.9%	7.3%	10,435
South	27,205	26,334	14.4%	2.0%	5.3%	22,545
West	13,282	8,490	14.9%	6.3%	5.6%	7,223
<b>Australia</b>	<b>56,077</b>	<b>46,370</b>	<b>13.3%</b>	<b>2.5%</b>	<b>5.9%</b>	<b>40,203</b>

Actual and % Changes in the Progressive Offerings from Last Year	
+21,245	+7.6%
+23,943	+4.9%
+18,162	+9.2%
<b>+63,350</b>	<b>+6.5%</b>

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 31	Week 32	Week 33	Differences
North	12,664	12,620	10,950	+5.8%
South	22,803	22,350	23,345	+1.6%
West	8,769	8,950	9,050	+0.9%
<b>New Zealand</b>				
<b>Australia</b>	<b>44,236</b>	<b>43,920</b>	<b>43,345</b>	<b>+2.6%</b>
<b>Differences</b>	<b>-2.6%</b>	<b>-2.2%</b>	<b>+14.5%</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	75.22	+0.53	-0.13	+0.14	-0.33	Public	+0.21 (+0.3%)	75.43	73.75	77.11
Euro	70.69	+0.23	-0.50	+0.05	-0.18	Holiday	-0.40 (-0.6%)	70.29	66.40	70.69

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to November	
	November 2016	July to November This Season	July to November Last Season	By Weight	By Value
China	84.3%	77.8%	72.5%	+17.9%	+20.9%
India	5.7%	7.1%	8.5%	-8.1%	-0.7%
Italy	2.3%	4.8%	6.0%	-11.7%	-4.3%
Czech Republic	2.6%	4.5%	5.2%	-4.1%	+1.3%
Malaysia	1.1%	0.8%	1.5%	-38.4%	-46.1%
Korea	1.4%	1.4%	1.7%	-8.0%	-10.7%
Taiwan	0.9%	0.8%	1.0%	-8.4%	-4.1%
Egypt	0.6%	0.9%	1.3%	-23.2%	-16.7%
<b>Change all Countries</b>				<b>+9.9%</b>	<b>+12.3%</b>



AVERAGE EMI	
This Year	1331
Last Year	1254
2014/15	1102
2013/14	1070
2012/13	1035

SEASON AVERAGES		
Region	This Year	Diff
North	1373	+94
South	1304	+66
West	1403	+95

THIS YEAR'S EMI	
This Week	1412
First Week	1320
Low (23/09)	1287
High (20/01)	1434

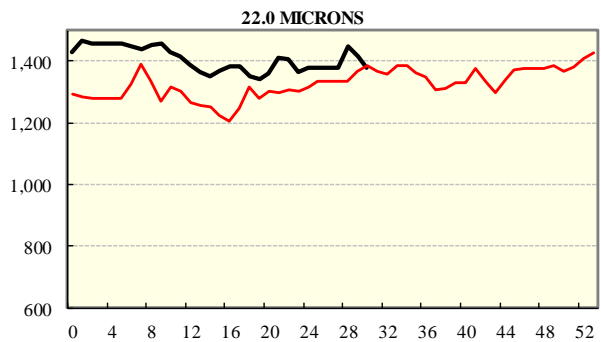
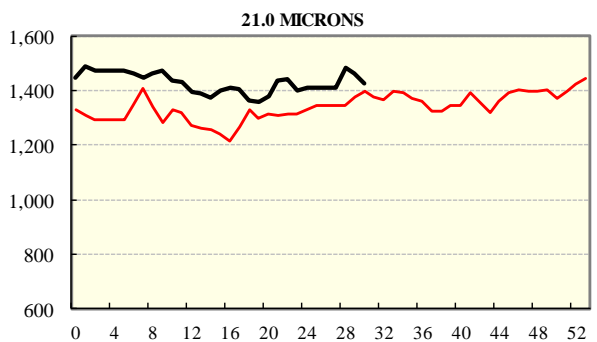
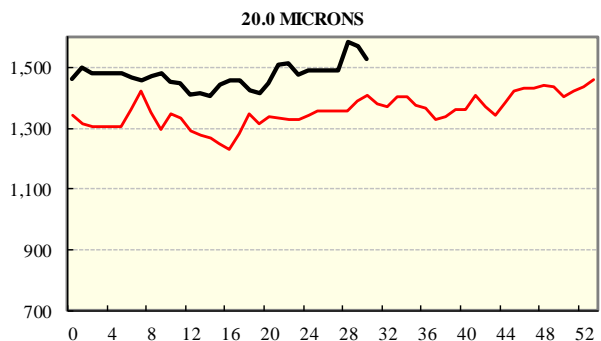
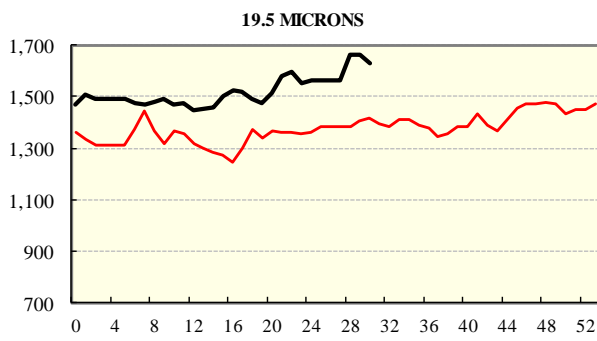
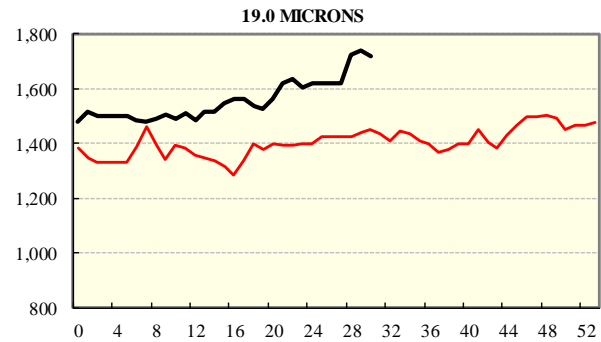
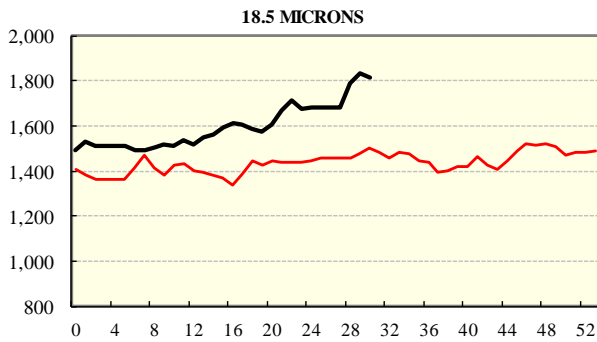
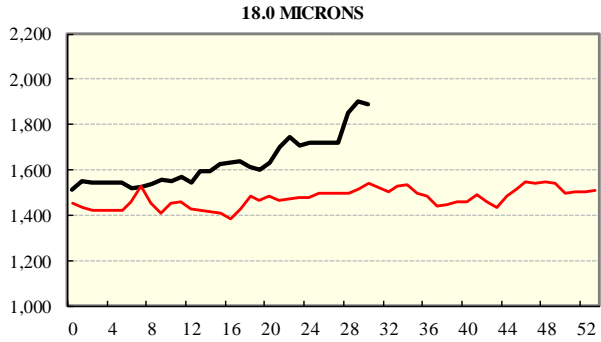
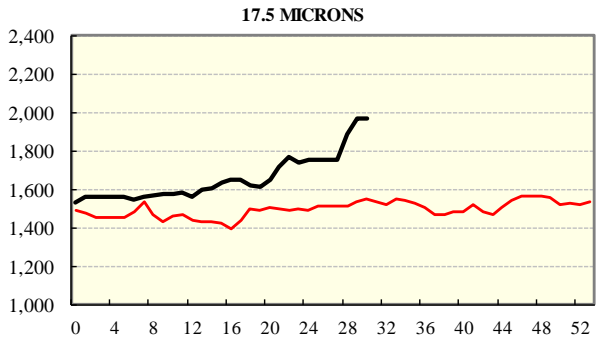
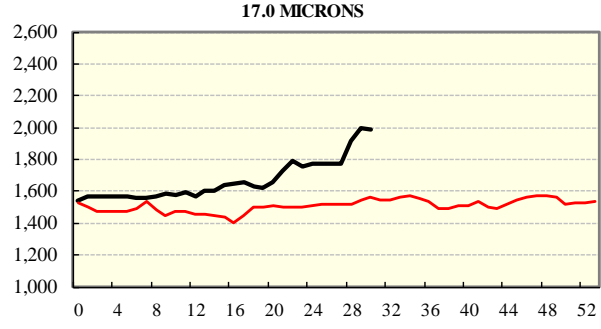
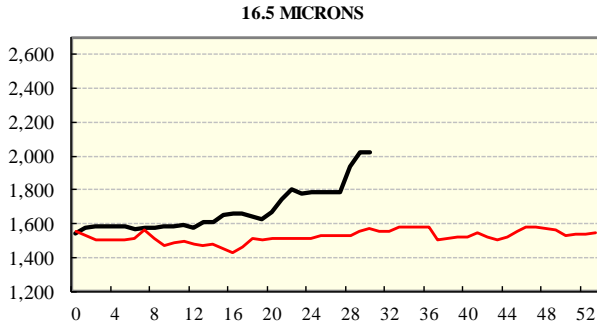
COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1487	+150
South	1364	+63
West	1457	+38

BALES OFFERED	
This Year	1,032,467
Last Year	969,117
Difference	+63,350
% Diff	+6.5%
FIRST OFFERED BALES	
Difference	+6.5%
% of Offering	95.5%

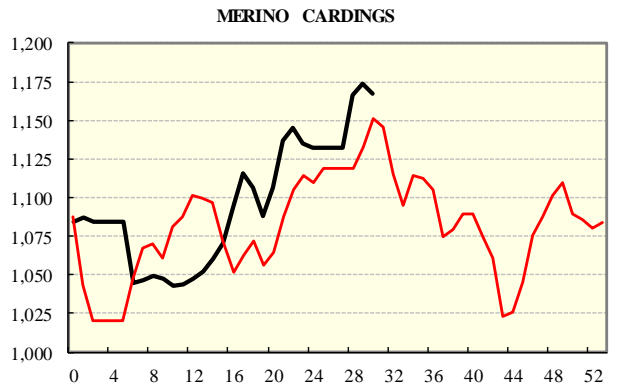
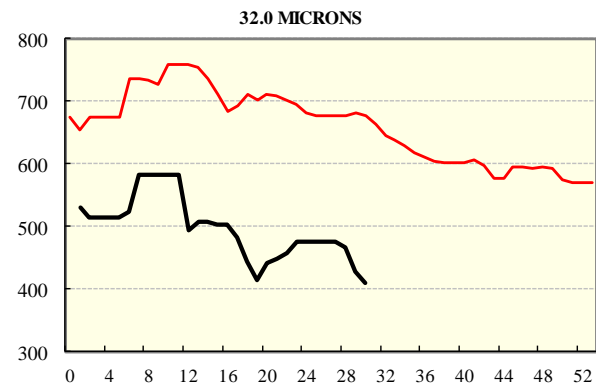
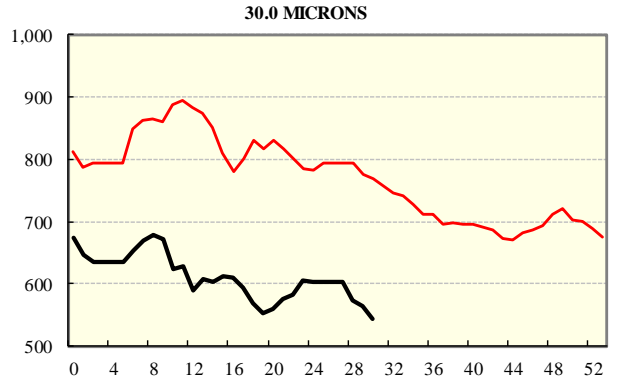
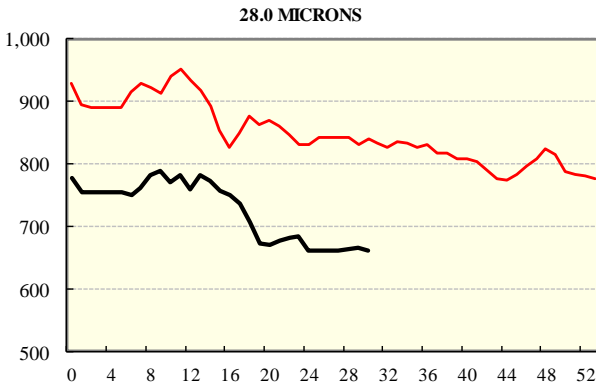
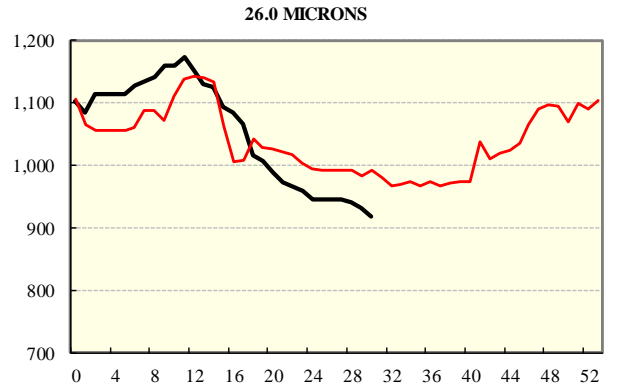
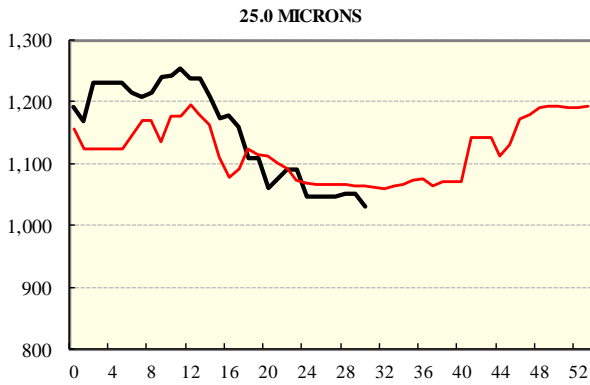
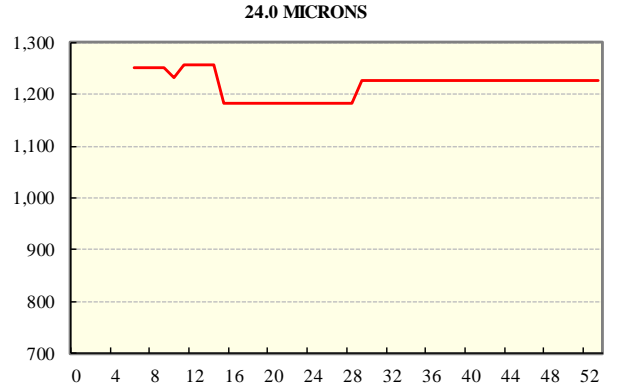
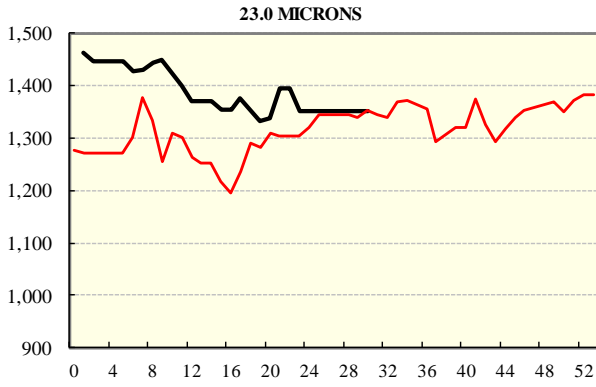
REGION BALES		
This Sale:		
North	11,546	
South	26,334	
West	8,490	
Progressive Totals:		Diff
North	300,629	+7.6%
South	517,319	+4.9%
West	214,519	+9.2%

# AVERAGE AWEX MICRON PRICE GUIDES

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

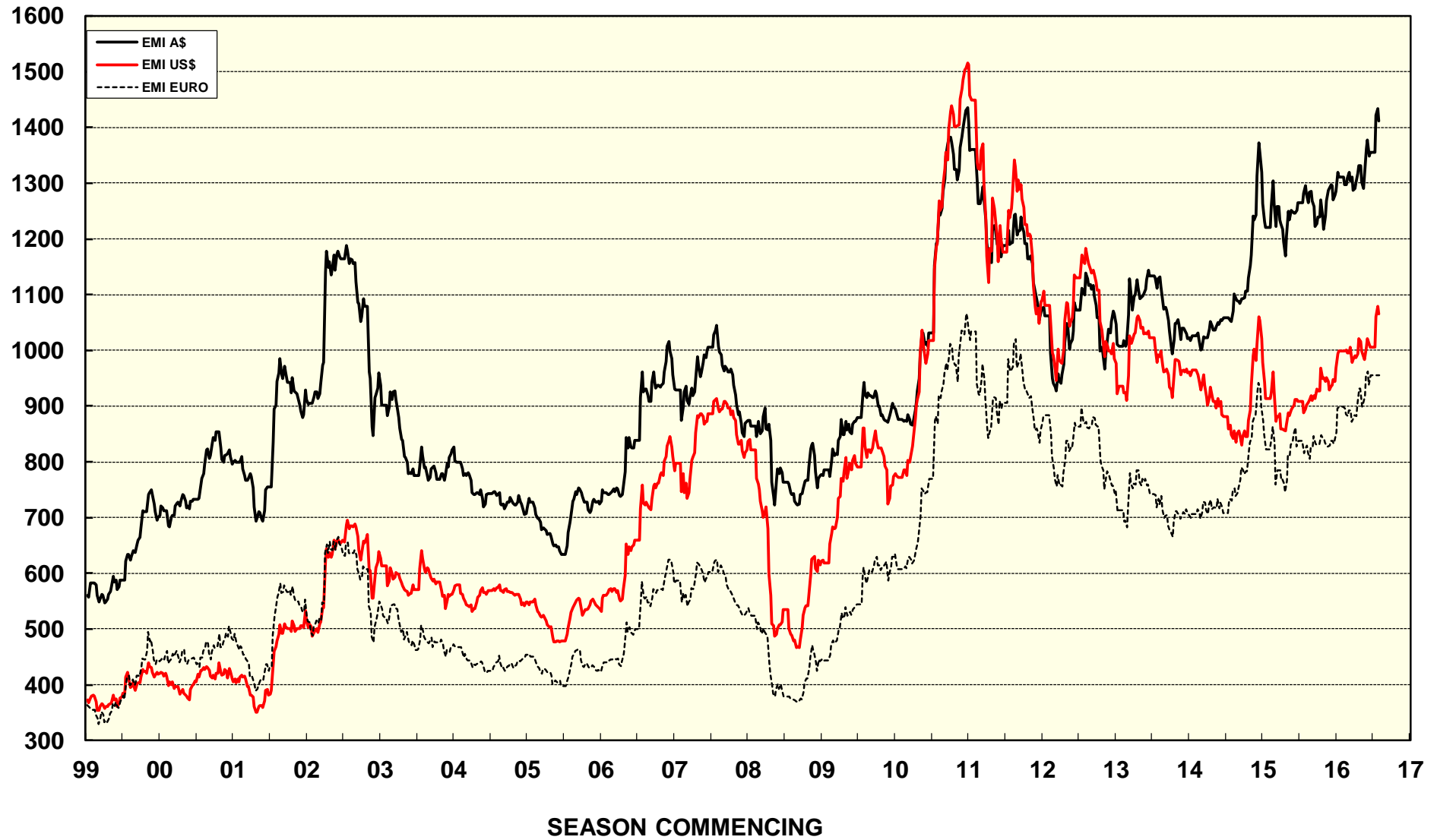


**AVERAGE AWEX MICRON PRICE GUIDES**  
 2016/17( black graph line) and 2015/16 (red graph line)



### EASTERN MARKET INDICATOR (EMI) SINCE 1999/00 (¢/kg clean)

(In Australian, United States and European Currencies)



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For further information

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