

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW

Week Ending 3 February 2017 (Week 31)

The AWEX EMI finished 10¢ higher (+0.7%) in Australian currency and 21¢ higher (+2.0%) in US currency at sales in Sydney, Melbourne and Fremantle this week.

40,188 bales were on offer nationally, compared with 46,370 bales last sale. 8.3% of the offering was passed in compared with 13.3% last week when the market eased.

Merino Fleece wool was in smaller supply this week due to a combination of the smaller offering and Merino Fleece share of the offering slipping back to 51% from 53% last week (the season average is 57%).

AWEX reports that the value of the wool sold was \$57.7 million (\$1,566 per bale).

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 31)									
Centre	Last Sale		Day-to-Day Changes (Week 31)			Sale-to-Sale	Closing	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday	Change	Indicator	US ¢	Euro ¢
Eastern	30	1412	No Sale	+5	+5	+10 (+0.7%)	1422	+21	+15
Northern	30	1487	No Sale	+9	+3	+12 (+0.8%)	1499	+23	+17
Southern	30	1364	No Sale	+2	+7	+9 (+0.7%)	1373	+20	+13
Western	30	1457	No Sale	-2	+1	-1 (-0.1%)	1456	+13	+7

The market followed a familiar pattern this week, with good gains among the Superfine wools (that extended up to 19 microns) and smaller gains among medium Merinos. The greatest gains were at the Superfine end in Sydney on Wednesday and in Melbourne on Thursday. The difference between the 16.5 and 22 MPGs increased by another 31¢ this week.

Coarse crossbred wool continues to be out of favour, while the finer crossbreds were less affected.

Merino skirtings were in keen demand on Tuesday and again on Wednesday. Oddments were a bit mixed, with the AWEX Merino Cardings Price Guide down by 2¢, but still at the very high level of 1165¢.

The US Exchange Rate finished 0.95¢ (1.3%) higher to close at 76.38¢ on Thursday. Financial analysts attribute the higher exchange rate partly to a weaker US\$, partly to a stronger A\$ due to stronger commodity prices and to the announcement good Australia trade figures on Thursday.

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

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	499¢	594¢	626¢	661¢	683¢
South	446¢	513¢	610¢	638¢	667¢

Market Indicator	Changes From			
	Four Sales Ago Week 24	Start of the Season	Week 31 Last Year	Season Average to Week 31 Last Year
Eastern Market Indicator	+67 (+4.9%)	+106 (+8.1%)	+142 (+11.1%)	+90 (+7.2%)
Western Market Indicator	+35 (+2.5%)	+37 (+2.6%)	+105 (+7.8%)	+118 (+9.2%)

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 ¢	+29	+38	+27	+39	+27	+19	+12	+12	+4	-6		
Change %	+1.4%	+1.9%	+1.4%	+2.1%	+1.5%	+1.1%	+0.7%	+0.8%	+0.3%	-0.4%		
Since Start of the Season												
Change ¢	+470	+456	+431	+383	+316	+229	+140	+49	-51	-88		
Change %	+29.7%	+29.0%	+27.6%	+24.8%	+20.7%	+15.2%	+9.3%	+3.3%	-3.4%	-6.0%		
Since Same Week Last Year												
Change ¢	+493	+480	+461	+406	+353	+303	+244	+160	+55	+7		
Change %	+31.6%	+31.0%	+30.1%	+26.6%	+23.8%	+21.1%	+17.5%	+11.6%	+4.0%	+0.5%		

Sale-to-Sale Changes in Other Average AWEX Price Guides						
Micron	25.0	26.0	28.0	30.0	32.0	MC [#]
Since Last Sale						
Change ¢	-7	-10	-9	-6	-20	-2
Change %	-0.7%	-1.1%	-1.4%	-1.1%	-4.9%	-0.2%
Since Start of the Season						
Change ¢	-174	-192	-103	-103	-132	+79
Change %	-14.5%	-17.5%	-13.6%	-16.1%	-25.2%	+7.3%
Since Same Week Last Year						
Change ¢	-38	-72	-180	-219	-272	+19
Change %	-3.6%	-7.3%	-21.6%	-28.9%	-41.0%	+1.7%

Average Merino Cardings Price Guide

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AWIS WOOL MARKET REVIEW Week Ending 3 February 2017 (Week 31)

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 December ABS export data.

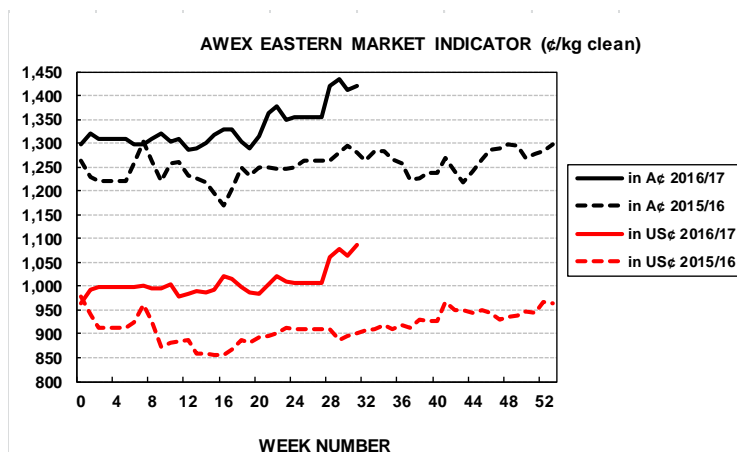
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re- Offered	Bales Sold
North	11,546	12,483	5.6%	0.6%	5.4%	11,780
South	26,334	18,632	10.1%	3.8%	7.7%	16,743
West	8,490	9,073	8.3%	5.4%	4.1%	8,319
Australia	46,370	40,188	8.3%	3.2%	6.2%	36,842

Actual and % Changes in the Progressive Offerings from Last Year	
+22,262	+7.7%
+17,974	+3.5%
+17,868	+8.7%
+58,104	+5.7%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 32	Week 33	Week 34	Differences
North	13,094	11,050	11,200	+0.8%
South	22,554	22,600	22,350	+9.9%
West	10,213	9,050	8,950	+3.9%
New Zealand				
Australia	46,390	42,700	42,500	+6.4%
Differences	+3.3%	+12.8%	+4.0%	

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	75.43	-0.15	+0.24	+0.15	-0.01	+0.72	+0.95 (+1.3%)	76.38	73.75	77.11
Euro	70.29	+0.24	-0.15	+0.37	-0.64	+0.71	+0.53 (+0.8%)	70.82	66.40	70.82

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to December	
	December 2016	July to December This Season	July to December Last Season	By Weight	By Value
China	76.6%	77.6%	73.3%	+13.5%	+19.2%
India	5.0%	6.7%	8.0%	-11.9%	-4.2%
Italy	6.0%	5.0%	5.7%	-5.7%	+2.7%
Czech Republic	6.4%	4.9%	5.2%	+1.1%	+4.0%
Malaysia	1.1%	0.9%	1.6%	-38.5%	-44.6%
Korea	1.6%	1.4%	1.7%	-7.3%	-10.7%
Taiwan	0.7%	0.8%	0.9%	-7.4%	-2.2%
Egypt	1.2%	1.0%	1.2%	-11.9%	-1.7%
Change all Countries				+7.2%	+11.6%



AVERAGE EMI	
This Year	1335
Last Year	1254
2014/15	1102
2013/14	1070
2012/13	1035

SEASON AVERAGES		
Region	This Year	Diff
North	1378	+99
South	1307	+69
West	1405	+97

THIS YEAR'S EMI	
This Week	1422
First Week	1320
Low (23/09)	1287
High (20/01)	1434

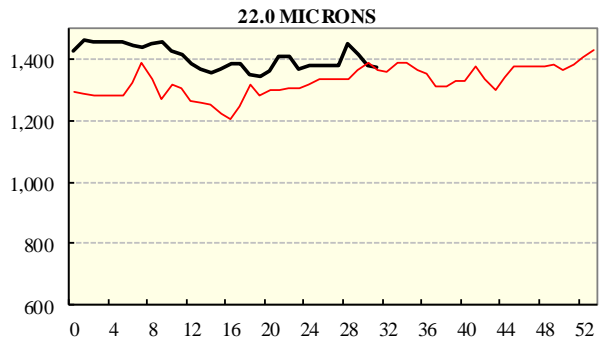
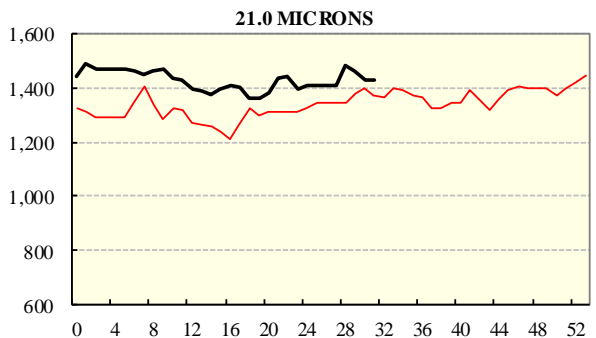
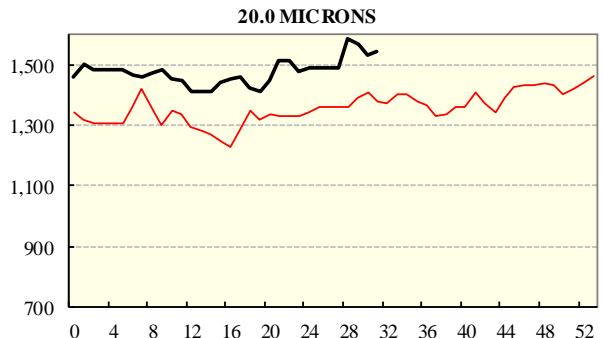
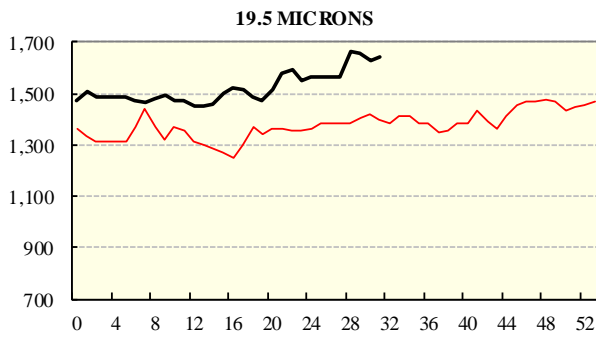
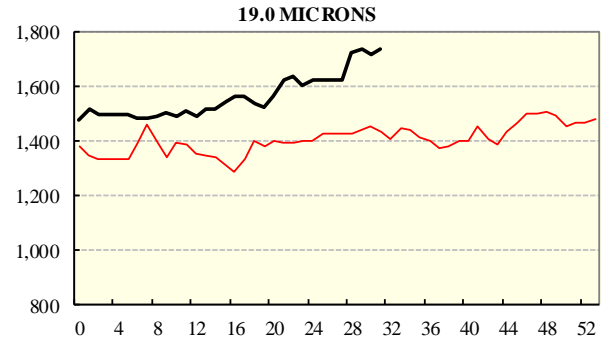
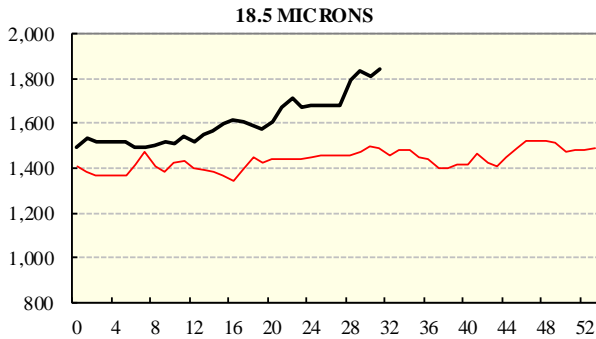
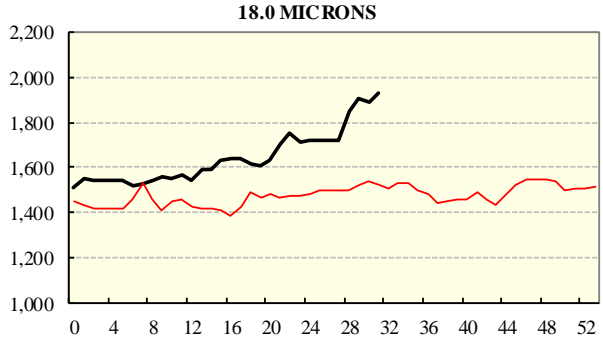
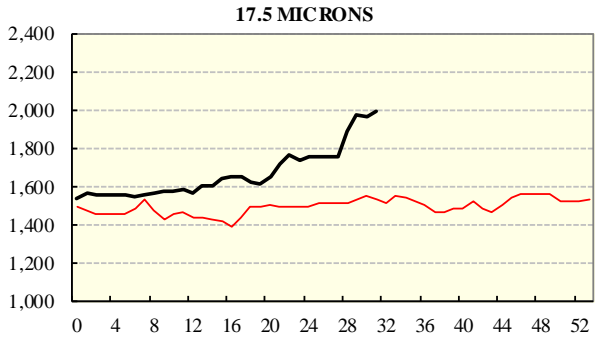
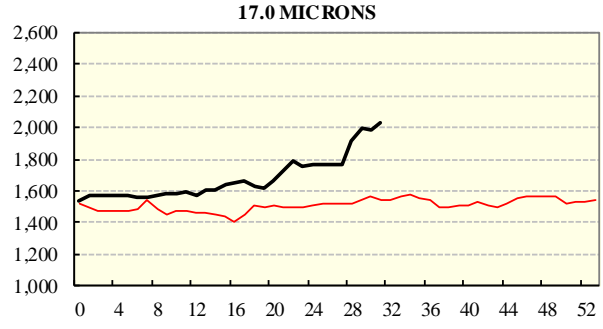
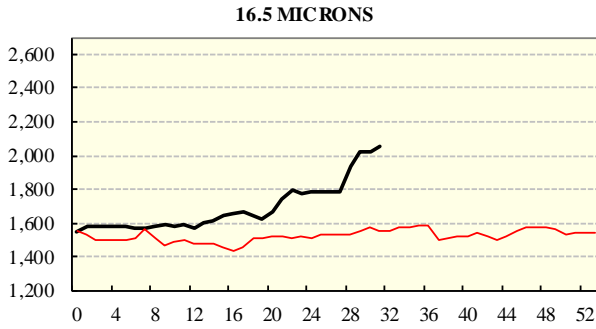
COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1499	+162
South	1373	+72
West	1456	+37

BALES OFFERED	
This Year	1,072,655
Last Year	1,014,551
Difference	+58,104
% Diff	+5.7%
FIRST OFFERED BALES	
Difference	+5.7%
% of Offering	95.5%

REGION BALES		
This Sale:		
North	12,483	
South	18,632	
West	9,073	
Progressive Totals:		
North	313,112	+7.7%
South	535,951	+3.5%
West	223,592	+8.7%

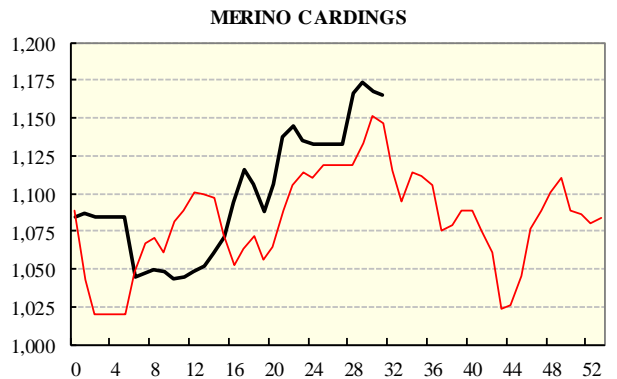
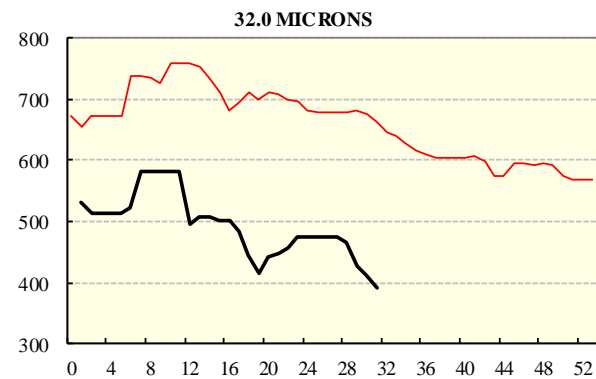
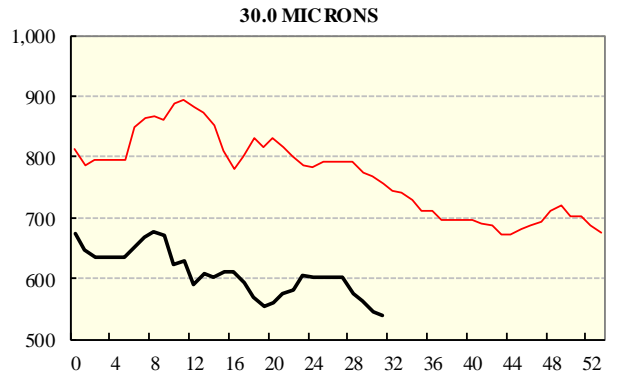
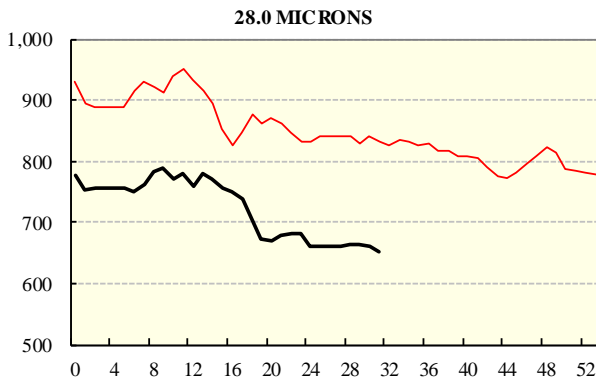
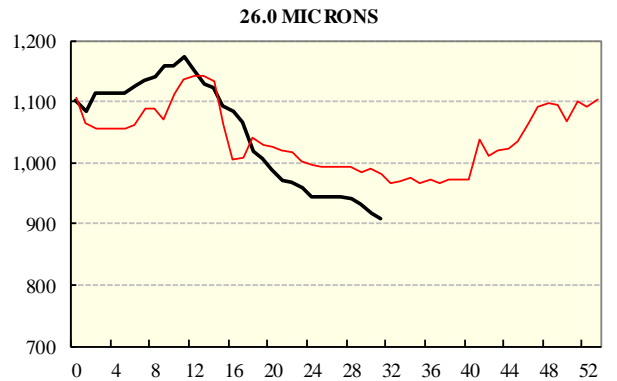
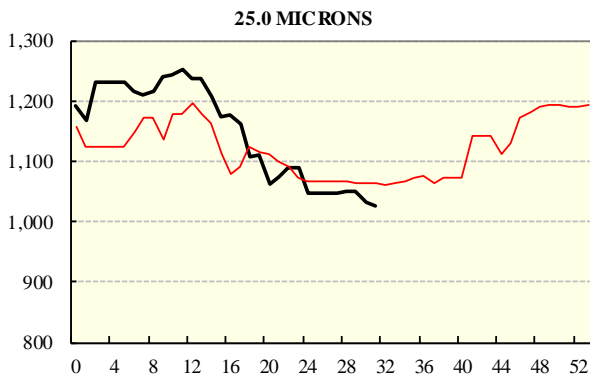
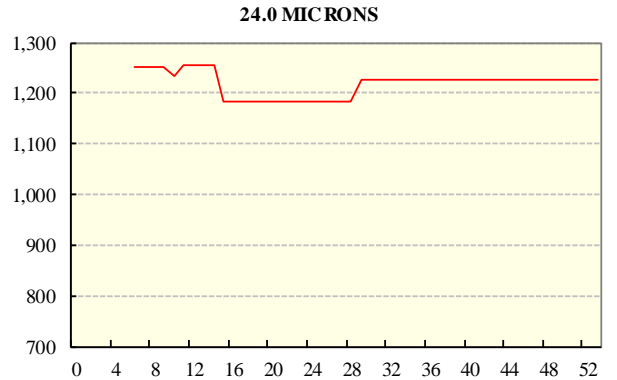
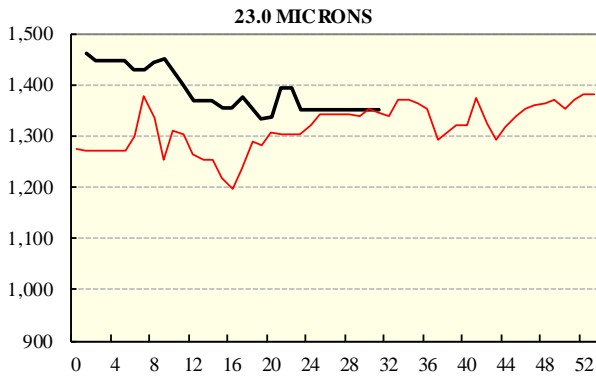
AVERAGE AWEX MICRON PRICE GUIDES

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

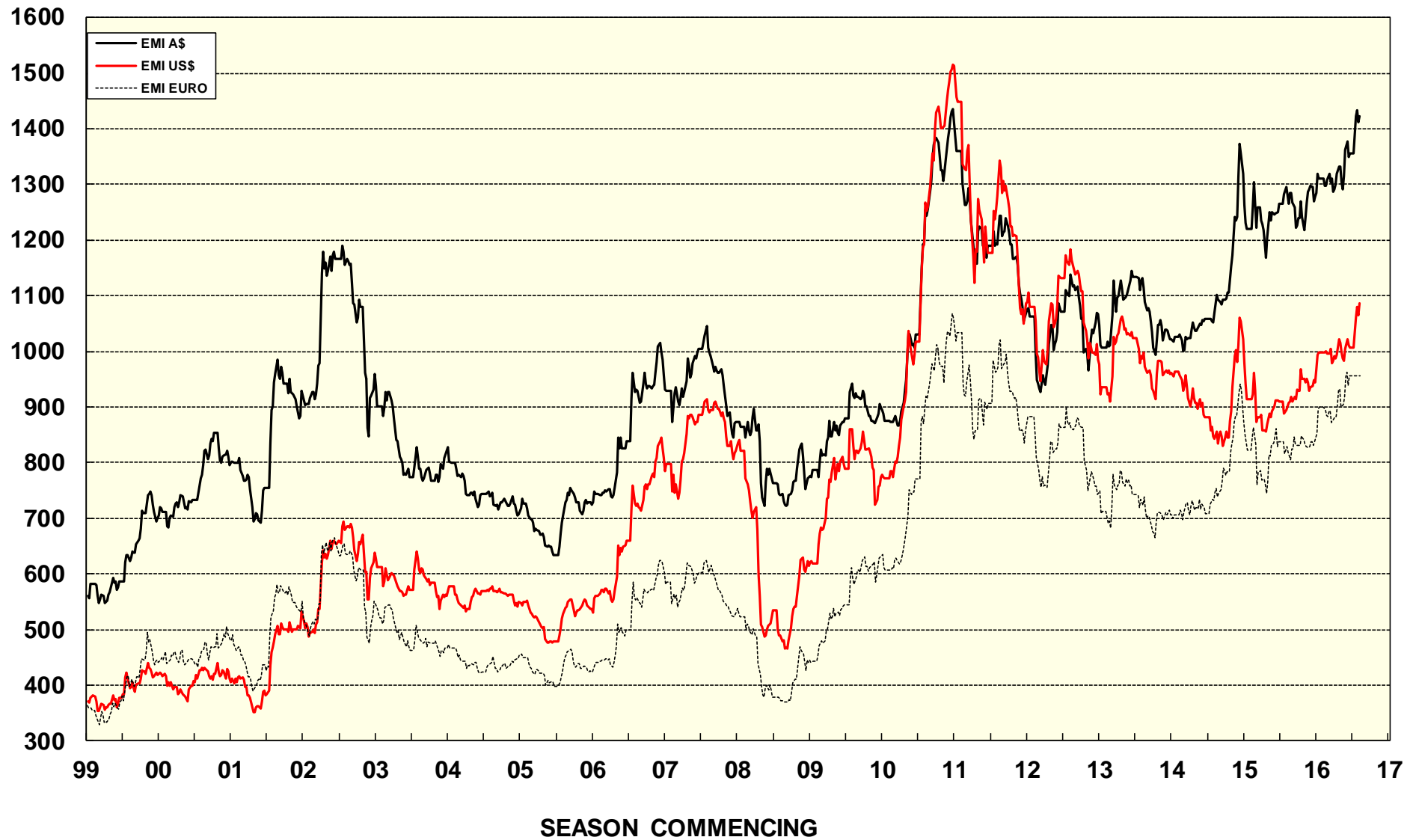


AVERAGE AWEX MICRON PRICE GUIDES

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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