

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW

Week Ending 3 March 2017 (Week 35)

The AWEX EMI made its biggest gain since the first sale in January when it finished 51¢ higher (+3.5%) in Australian currency and 34¢ higher (+3.1%) in US currency at sales in Sydney, Melbourne and Fremantle this week. It has risen by 145¢ (+10.7%) in A\$ and by 142¢ (+14.1%) in US\$ since the closing sale prior to Christmas.

40,626 bales were on offer nationally, compared with 45,144 bales last sale. 2.9% of the offering was passed in. This included 1.4% of the Merino bales and 7.5% of the crossbred bales

AWEX reports that the value of the wool sold was \$66.5 million (\$1,686 per bale, the highest so far this season).

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 35)									
Centre	Last Sale		Day-to-Day Changes (Week 35)			Sale-to-Sale	Closing	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday	Change	Indicator	US ¢	Euro ¢
Eastern	34	1449	No Sale	+32	+19	+51 (+3.5%)	1500	+34	+36
Northern	34	1530	No Sale	+32	+20	+52 (+3.4%)	1582	+35	+37
Southern	34	1397	No Sale	+32	+19	+51 (+3.7%)	1448	+34	+35
Western	34	1482	No Sale	+59	+6	+65 (+4.4%)	1547	+45	+46

The market opened very strongly on Wednesday; and followed it up with another strong performance on Thursday.

New record values were set for the EMI, NMI, SMI and the WMI (for the first time this season); and for the average AWEX MPGs for 18.5 to 20.0 microns. Good gains of mostly greater than 4% were made in all the average AWEX Merino MPGs, with the broader Merinos doing as well as the fine wool Merinos this week. Merino skirtings were in very keen demand, as were oddments. The average AWEX Merino Cardings Price Guide rose by another 20¢ (+1.7%) to close at 1216¢, also another record level. It has risen 47¢ (4.0%) in the last three sales.

It was also a good week for crossbred prices up to 30 microns.

The US Exchange Rate was relatively stable during the week, finishing 0.32¢ (-0.4%) lower to close at 76.55¢ on Thursday. There is a strong expectation among financial analysts that the US Federal Reserve will lift interest rates this month.

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

The market is keeping up the supply of wool to auction, with the expected offerings for the next three sales up by 5.5%.

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	554¢	658¢	715¢	739¢	747¢
South	544¢	644¢	677¢	695¢	717¢

Market Indicator	Changes From			
	Four Sales Ago Week 31	Start of the Season	Week 35 Last Year	Season Average to Week 35 Last Year
Eastern Market Indicator	+78 (+5.5%)	+184 (+14.0%)	+232 (+18.3%)	+103 (+8.2%)
Western Market Indicator	+91 (+6.3%)	+128 (+9.0%)	+223 (+16.8%)	+123 (+9.5%)

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 ¢	+71	+83	+89	+94	+76	+78	+68	+60	+65	+64		
Change %	+3.4%	+4.0%	+4.3%	+4.7%	+4.0%	+4.4%	+4.1%	+3.9%	+4.5%	+4.7%		
Since Start of the Season												
Change ¢	+592	+588	+574	+545	+457	+361	+237	+120	+21	-23	-33	
Change %	+37.4%	+37.5%	+36.7%	+35.2%	+30.0%	+23.9%	+15.8%	+8.0%	+1.4%	-1.6%	-2.3%	
Since Same Week Last Year												
Change ¢	+591	+600	+609	+595	+531	+460	+349	+234	+131	+76	+57	
Change %	+37.4%	+38.5%	+39.9%	+39.7%	+36.6%	+32.6%	+25.1%	+17.0%	+9.6%	+5.6%	+4.2%	

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 ¢	+27	+27	+26	+32	0	+20
Change %	+2.6%	+2.9%	+3.7%	+5.9%	0.0%	+1.7%
Since Start of the Season						
Change ¢	-120	-135	-20	-64	-104	+130
Change %	-10.0%	-12.3%	-2.6%	-10.0%	-19.9%	+12.0%
Since Same Week Last Year						
Change ¢	+6	-1	-92	-134	-198	+104
Change %	+0.6%	-0.1%	-11.1%	-18.8%	-32.1%	+9.4%

Average Merino Cardings Price Guide

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AWIS WOOL MARKET REVIEW Week Ending 3 March 2017 (Week 35)

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 January ABS export data.

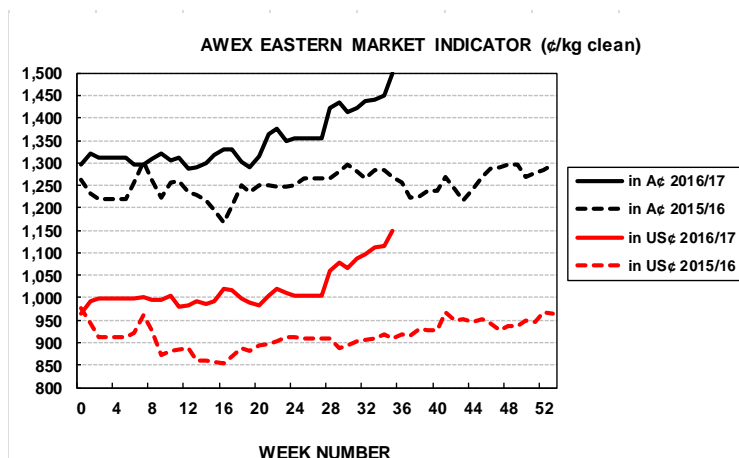
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re- Offered	Bales Sold
North	11,617	12,722	2.6%	0.6%	3.5%	12,389
South	24,703	20,238	2.8%	2.1%	5.1%	19,663
West	8,824	7,666	3.5%	0.9%	8.4%	7,395
Australia	45,144	40,626	2.9%	1.4%	5.2%	39,447

Actual and % Changes in the Progressive Offerings from Last Year	
+23,129	+6.8%
+21,701	+3.6%
+17,905	+7.3%
+62,735	+5.3%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 36	Week 37	Week 38	Differences
North	11,471	10,174	10,600	+17.7%
South	25,194	20,895	21,350	+9.0%
West	10,883	9,450	9,150	+3.5%
New Zealand				
Australia	42,577	40,519	41,100	+5.5%
Differences	+6.8%	+3.7%	+5.8%	

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	76.87	+0.30	-0.22	-0.07	-0.32	-0.01	-0.32 (-0.4%)	76.55	73.75	77.13
Euro	72.77	+0.16	-0.11	-0.22	-0.05	+0.13	-0.09 (-0.1%)	72.68	66.40	72.77

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to January	
	January 2017	July to January This Season	July to January Last Season	By Weight	By Value
China	85.7%	78.6%	73.4%	+17.0%	+23.3%
India	2.5%	6.2%	7.8%	-13.5%	-6.1%
Italy	2.7%	4.7%	5.6%	-7.4%	+1.1%
Czech Republic	3.7%	4.8%	5.4%	-3.4%	-1.4%
Malaysia	0.6%	0.9%	1.6%	-42.1%	-46.9%
Korea	1.6%	1.4%	1.7%	-4.7%	-7.0%
Taiwan	0.1%	0.7%	0.9%	-15.0%	-11.2%
Egypt	0.7%	0.9%	1.0%	-11.8%	-1.3%
Change all Countries				+9.3%	+14.1%



AVERAGE EMI	
This Year	1352
Last Year	1254
2014/15	1102
2013/14	1070
2012/13	1035

SEASON AVERAGES		
Region	This Year	Diff
North	1400	+121
South	1320	+82
West	1418	+110

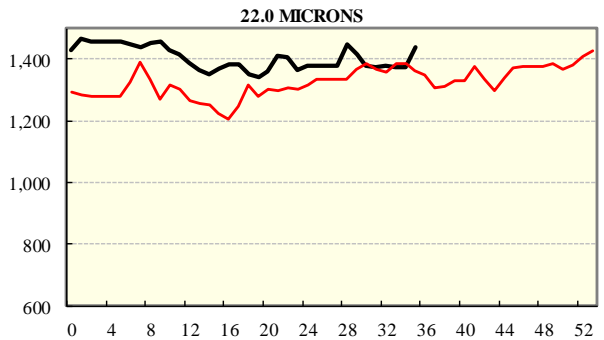
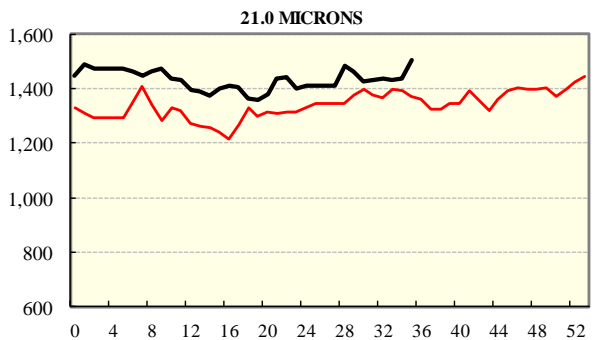
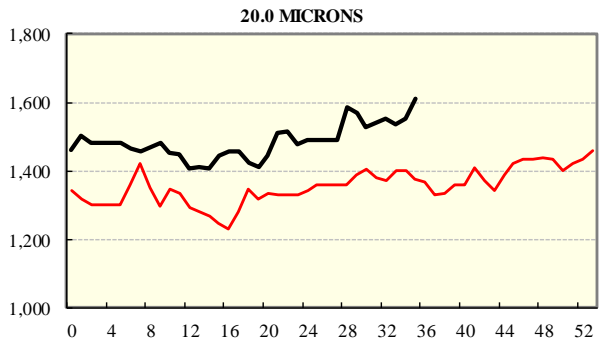
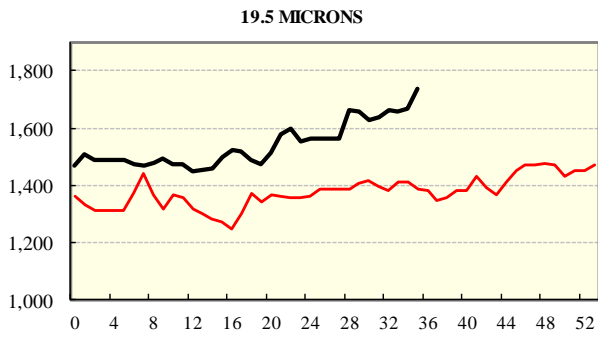
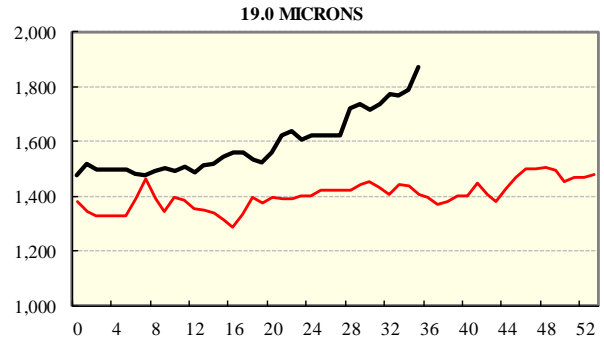
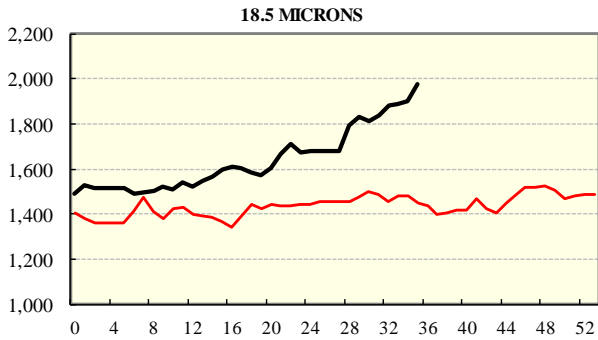
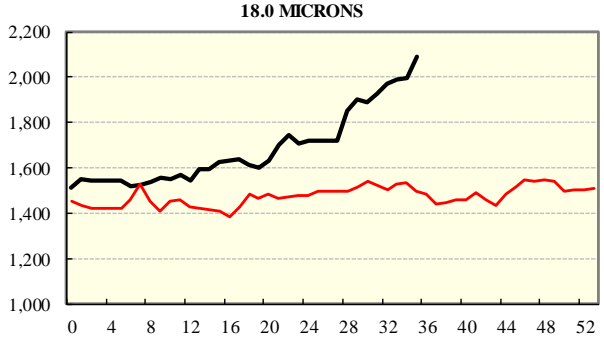
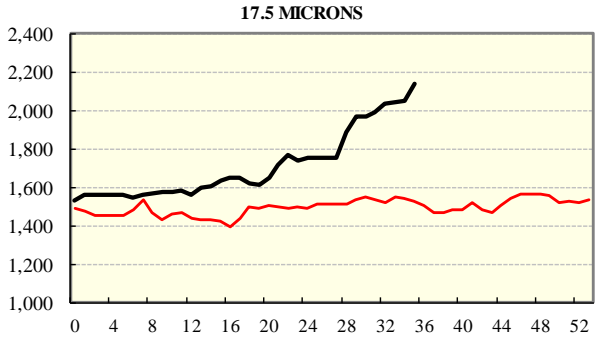
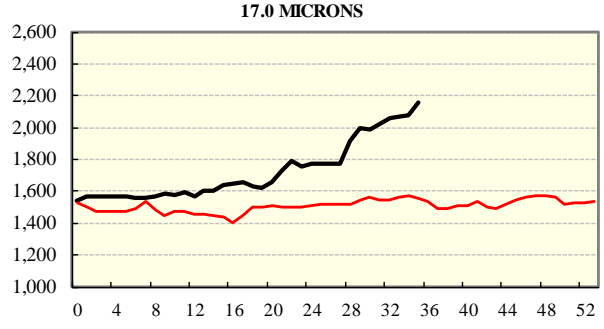
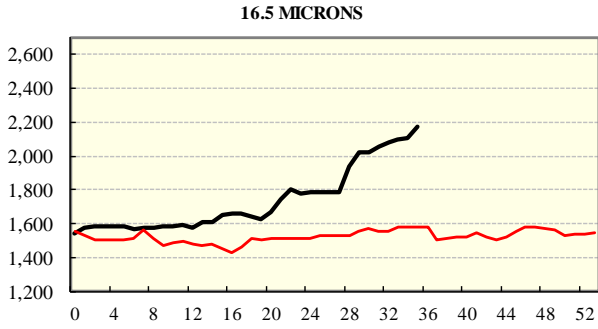
THIS YEAR'S EMI	
This Week	1500
First Week	1320
Low (23/09)	1287
High (3/03)	1500

COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1582	+245
South	1448	+147
West	1547	+128

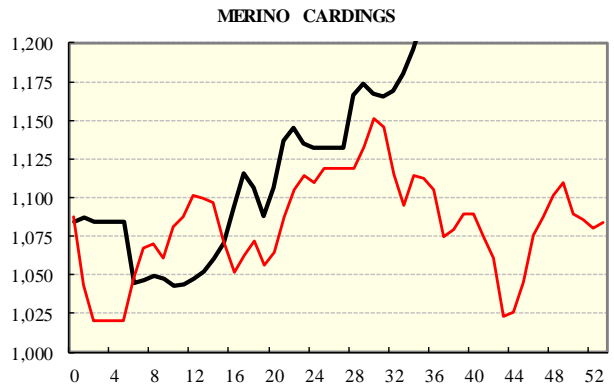
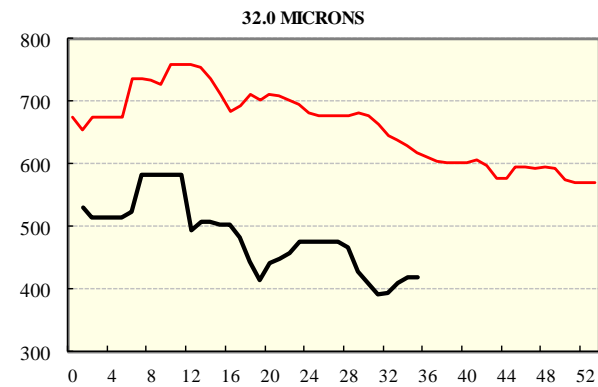
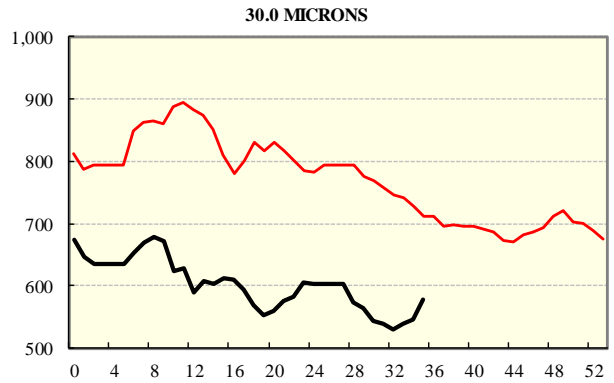
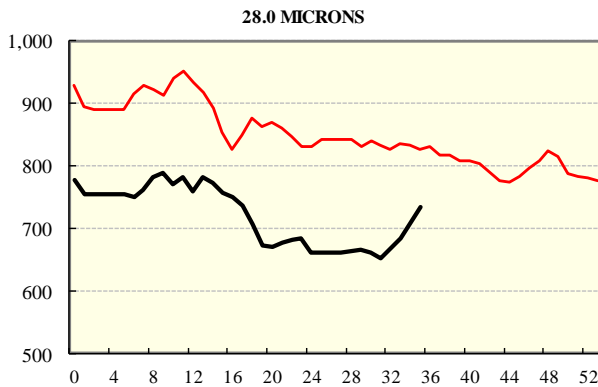
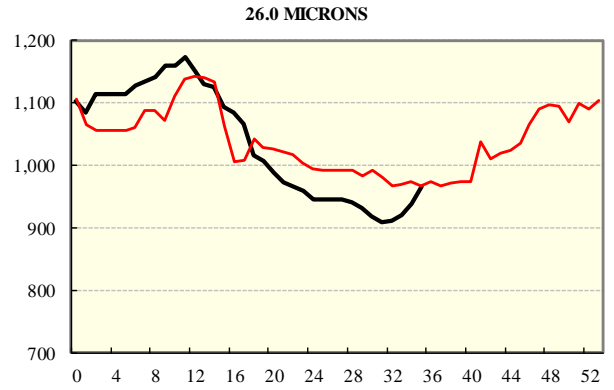
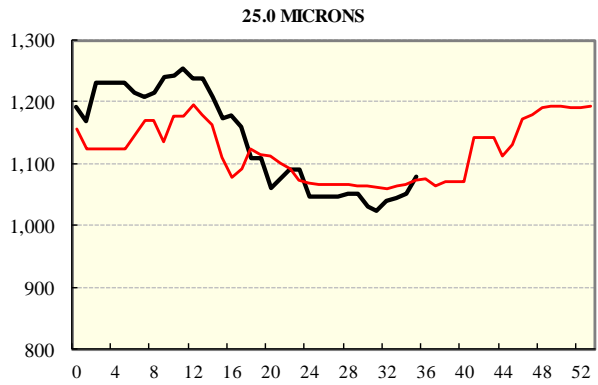
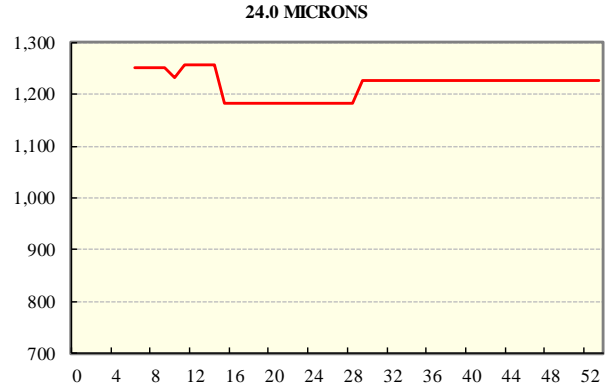
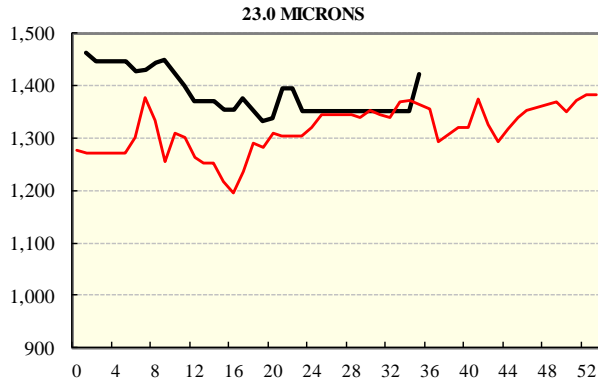
BALES OFFERED	
This Year	1,247,847
Last Year	1,185,112
Difference	+62,735
% Diff	+5.3%
FIRST OFFERED BALES	
Difference	+5.3%
% of Offering	95.3%

REGION BALES		
This Sale:		
North	12,722	
South	20,238	
West	7,666	
Progressive Totals:		Diff
North	361,586	+6.8%
South	624,094	+3.6%
West	262,167	+7.3%

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)

