

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW

Week Ending 18 August 2017 (Week 07)

The AWEX EMI finished 64¢ higher (+4.1%) in Australian currency and 61¢ higher (+5.0%) in US currency at sales in Sydney, Melbourne and Fremantle this week. It has risen by 92¢ (A\$) and 108¢ (US\$) over the last two sales.

39,126 bales were on offer nationally, compared with 52,359 bales last sale. 2.0% of the offering was passed in.

AWEX reports that the value of the wool sold was \$70.1 million (\$1,828 per bale), taking the season total to \$308.6 million. This was the first time the bale average has exceeded \$1800 since AWEX commenced providing these data last season.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 07)									
Centre	Last Sale		Day-to-Day Changes (Week 07)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	06	1550	No Sale	+46	+18	+64 (+4.1%)	1614	+61	+48
Northern	06	1614	No Sale	+50	+15	+65 (+4.0%)	1679	+62	+48
Southern	06	1509	No Sale	+45	+19	+64 (+4.2%)	1573	+61	+47
Western	06	1606	No Sale	+67	+7	+74 (+4.6%)	1680	+70	+54

Exporters were expecting a strong market, but the increase this week has exceeded normal expectations. There were large rises across all micron ranges (including crossbreds) and all types other than oddments, which were generally quoted as fully firm / unchanged. The overall pattern was similar to last week, with the Merinos doing best at the medium / broader end and the percentage changes for the crossbreds again being higher than those for the Merino wools.

The individual Merino MPGs are well ahead of their values in August last year, while the crossbred Indicators (except at 32 microns) are back to, or greater than, they were in August last year.

The US Exchange Rate finished 0.65¢ (0.8%) higher to close at 79.38¢ on Thursday. 0.96¢ of that change came overnight on Wednesday following speculation that further rises in US interest rates are not expected in the near future.

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

In other countries, the South African Cape Wools Indicator was up by 19.8% since the last sale prior to their mid-year break against a 3.1% depreciation of the Rand against the US Dollar and a 7.4% depreciation against the Euro.

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	495¢	598¢	653¢	679¢	714¢
South	475¢	577¢	650¢	693¢	753¢

Market Indicator	Changes From			
	Four Sales Ago Week 52	Start of the Season	Week 07 Last Year	Season Average to Week 07 Last Year
Eastern Market Indicator	+107 (+7.1%)	+91 (+6.0%)	+316 (+24.3%)	+246 (+18.8%)
Western Market Indicator	+128 (+8.2%)	+114 (+7.3%)	+289 (+20.8%)	+198 (+14.1%)

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 ¢	+81	+67	+74	+62	+86	+74	+82	+77	+88	+78	+88	
Change %	+3.6%	+3.0%	+3.4%	+2.9%	+4.3%	+4.0%	+4.7%	+4.7%	+5.6%	+5.1%	+6.0%	
Since Start of the Season												
Change ¢	+140	+104	+102	+94	+111	+97	+119	+117	+136	+135	+137	
Change %	+6.4%	+4.8%	+4.7%	+4.5%	+5.6%	+5.3%	+7.0%	+7.3%	+8.9%	+9.2%	+9.6%	
Since Same Week Last Year												
Change ¢	+760	+726	+695	+663	+590	+445	+354	+269	+217	+167	+135	
Change %	+48.2%	+46.4%	+44.6%	+43.4%	+39.5%	+30.1%	+24.1%	+18.5%	+15.0%	+11.6%	+9.4%	

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 ¢	+69	+44	+75	+63	+58	+2
Change %	+5.7%	+3.9%	+9.1%	+10.3%	+14.0%	+0.2%
Since Start of the Season						
Change ¢	+96	+61	+130	+115	+89	-28
Change %	+8.1%	+5.5%	+16.9%	+20.6%	+23.2%	-2.4%
Since Same Week Last Year						
Change ¢	+75	+32	+135	+5	-110	+87
Change %	+6.2%	+2.8%	+17.7%	+0.7%	-18.9%	+8.3%

Average Merino Cardings Price Guide

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AWIS WOOL MARKET REVIEW Week Ending 18 August 2017 (Week 07)

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 June ABS export data.

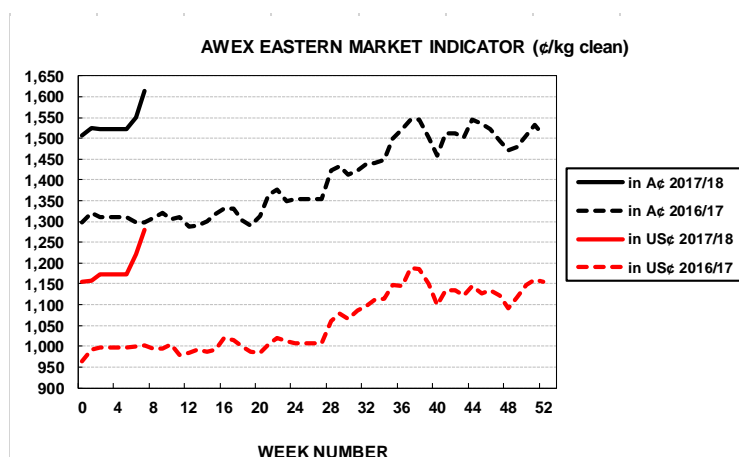
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re-Offered	Bales Sold
North	17,769	14,034	1.8%	0.2%	3.2%	13,780
South	25,458	18,744	2.2%	0.8%	2.0%	18,332
West	9,132	6,348	1.9%	0.4%	8.4%	6,230
Australia	52,359	39,126	2.0%	0.5%	3.5%	38,342

Actual and % Changes in the Progressive Offerings from Last Year	
+5,813	+9.7%
+11,358	+14.5%
-1,504	-4.3%
+15,667	+9.0%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 08	Week 09	Week 10	Differences
North	13,223	13,100	11,750	+8.7%
South	23,665	18,620	24,570	+21.2%
West	No Sale	8,250	7,650	-20.4%
New Zealand			<i>1,500</i>	
Australia	36,171	39,970	43,970	+9.0%
Differences	+22.4%	-1.4%	+9.7%	

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	78.73	-0.14	+0.33	-0.40	-0.10	+0.96	+0.65 (+0.8%)	79.38	75.97	79.38
Euro	67.11	-0.30	-0.04	-0.01	+0.03	+0.60	+0.28 (+0.4%)	67.39	67.00	67.39

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to June	
	June 2017	July to June This Season	July to June Last Season	By Weight	By Value
China	79.4%	79.3%	75.7%	+9.4%	+20.6%
India	6.9%	6.1%	7.4%	-13.8%	-3.7%
Italy	2.1%	4.2%	4.4%	+0.5%	+16.5%
Czech Republic	4.7%	4.6%	4.9%	-1.8%	-2.3%
Malaysia	1.0%	0.6%	1.5%	-55.4%	-56.6%
Korea	1.3%	1.6%	1.9%	-8.8%	-8.9%
Taiwan	1.1%	0.7%	0.8%	-6.4%	-4.7%
Egypt	1.7%	1.1%	1.2%	-9.2%	+11.2%
Change all Countries				+4.3%	+13.8%



AVERAGE EMI	
This Year	1553
Last Year	1408
2015/16	1254
2014/15	1102
2013/14	1070

SEASON AVERAGES		
Region	This Year	Diff
North	1619	+149
South	1511	+140
West	1604	+150

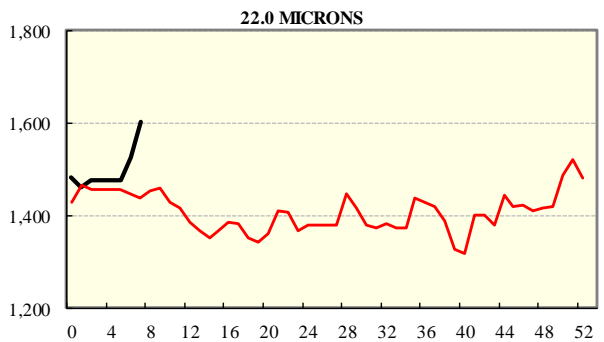
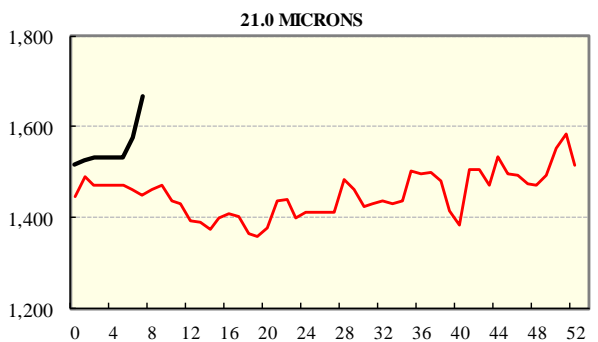
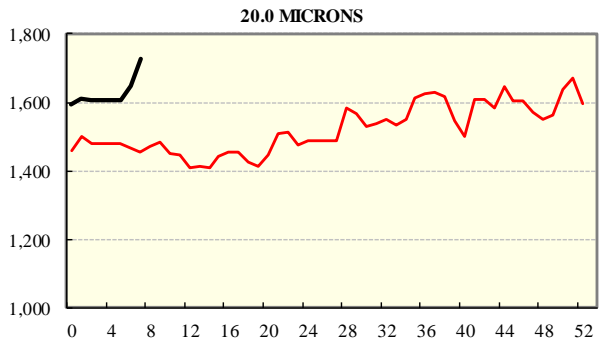
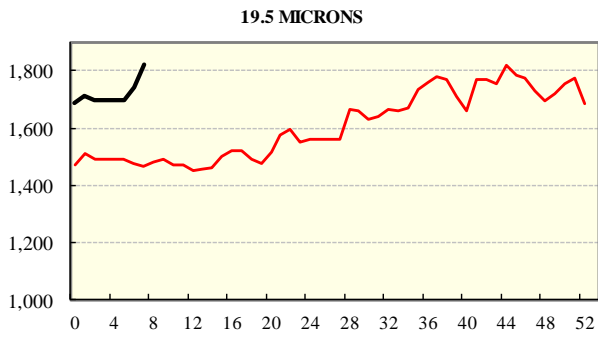
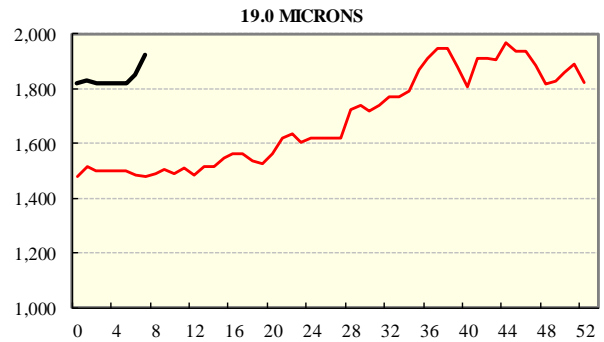
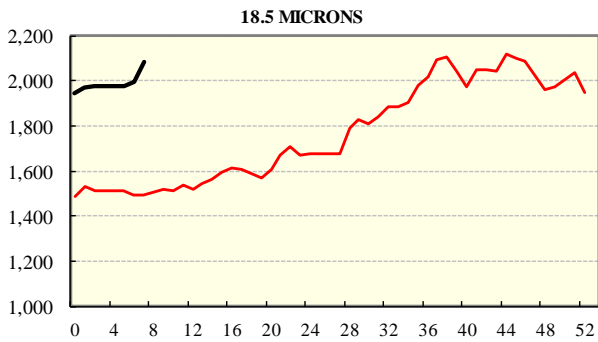
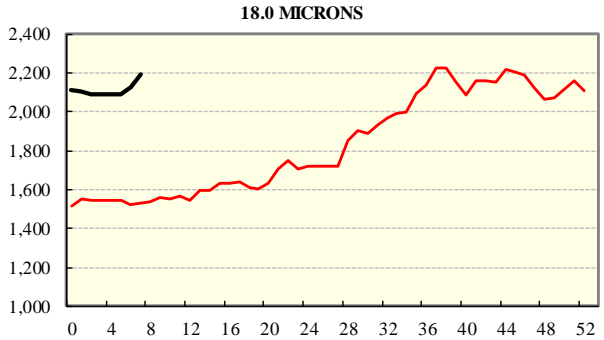
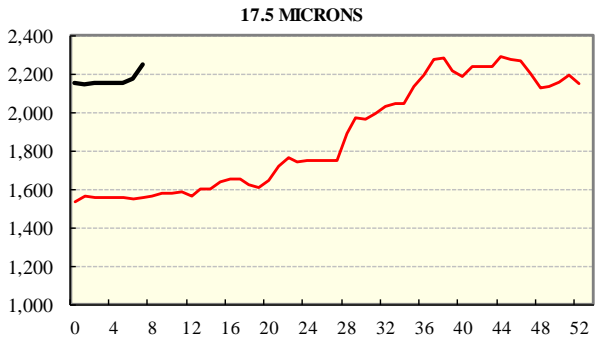
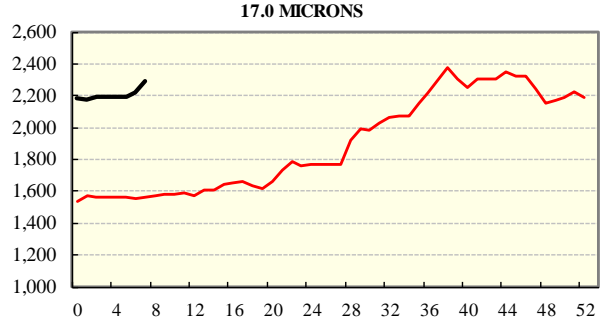
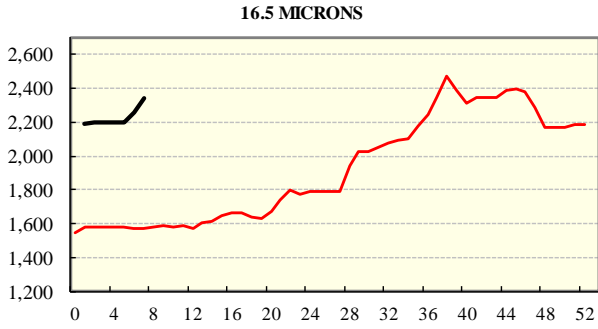
THIS YEAR'S EMI	
This Week	1614
First Week	1524
Low (14/07)	1522
High (18/08)	1614

COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1679	+88
South	1573	+93
West	1680	+114

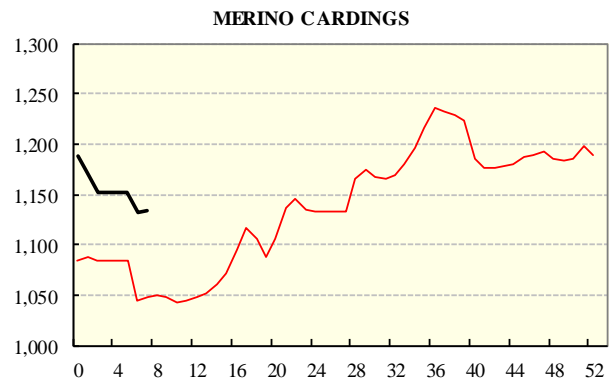
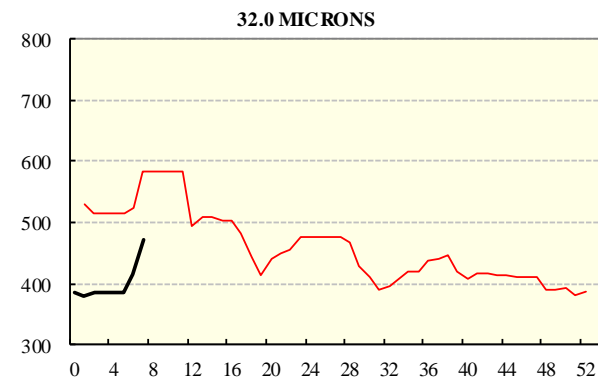
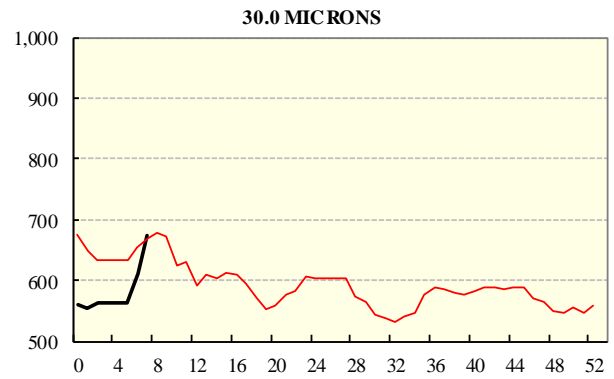
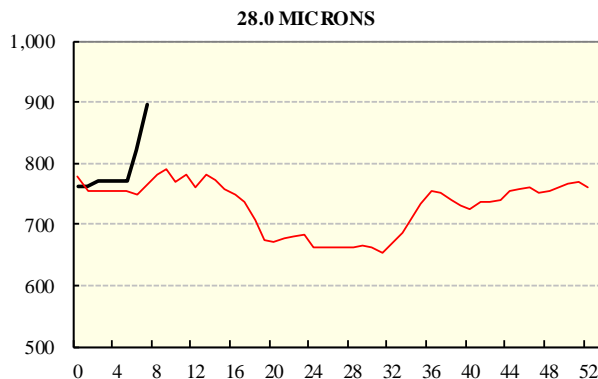
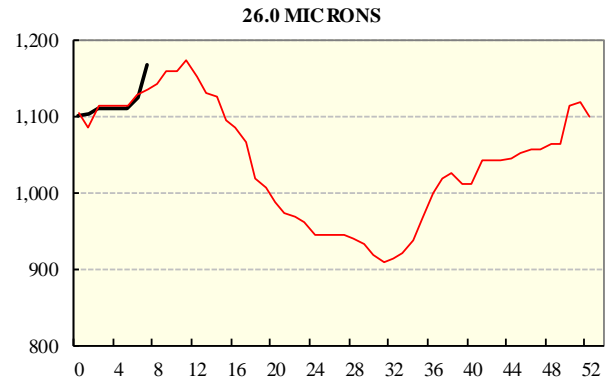
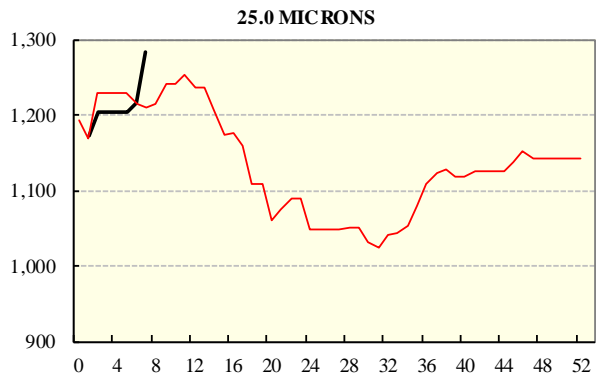
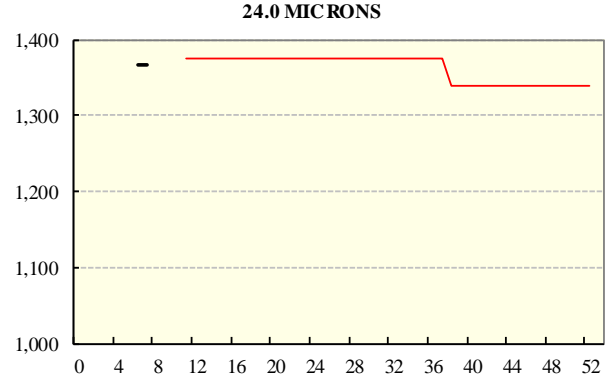
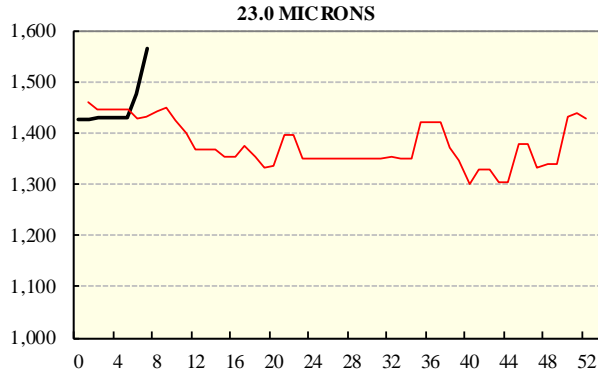
BALES OFFERED	
This Year	189,089
Last Year	173,422
Difference	+15,667
% Diff	+9.0%
FIRST OFFERED BALES	
Difference	+8.0%
% of Offering	94.7%

REGION BALES		
This Sale:		
North	14,034	
South	18,744	
West	6,348	
Progressive Totals:		Diff
North	65,925	+9.7%
South	89,807	+14.5%
West	33,357	-4.3%

AVERAGE AWEX MICRON PRICE GUIDES
 2017/18(black graph line) and f+B36wf (red graph line)



AVERAGE AWEX MICRON PRICE GUIDES
 2017/18(black graph line) and f+B36wf (red graph line)



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

(In Australian, United States and European Currencies)

