

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW

Week Ending 27 February 2015 (Week 35)

The AWEX EMI finished at 1088¢, 2¢ lower (-0.2%) in Australian currency and 5¢ higher (+0.6%) in US currency at sales in Sydney, Melbourne and Fremantle this week.

46,727 bales were on offer nationally, compared with 49,583 bales last sale. 8.5% of the offering was passed in.

| 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 Change | Closing Indicator | Sale-to-Sale Changes | |
| | Week | Indicator | Tuesday | Wednesday | Thursday | | | US ¢ | Euro ¢ |
| Eastern | 34 | 1090 | No Sale | -1 | -1 | -2 (-0.2%) | 1088 | +5 | +8 |
| Northern | 34 | 1114 | No Sale | 0 | -3 | -3 (-0.3%) | 1111 | +5 | +7 |
| Southern | 34 | 1075 | No Sale | -3 | 0 | -3 (-0.3%) | 1072 | +4 | +7 |
| Western | 34 | 1108 | No Sale | +6 | +3 | 9 (0.8%) | 1117 | +14 | +15 |

The EMI and WMI are now ahead of the same time last year in Australian currency and have trended upwards since sales resumed in January, whereas they were trending downwards at this time last year.

The market opened on a mixed note on Wednesday, with the AWEX Northern Indicator slightly down, the Southern Indicator unchanged and the Western Indicator up by 6¢. The rise in the West looked like a correction to its lower finish in the previous week. The Northern and Southern Regional Indicators evened up the next day.

The sale finished in a similar pattern to last week, with the market making gains in US currency, but the gains not flowing through to Australian currency because of another increase in the US exchange rate.

Changes in the average AWEX MPGs were similar across the Merino micron ranges. All average AWEX crossbred wool MPGs moved up in another good week; and once again by greater amounts than seen in the Merino wools. Merino skirtings were a bit mixed during the week, but generally finished around the previous week's levels. Oddments were also a bit mixed, before closing around the previous week's levels. In was another good week for Merino cardings, with the average AWEX Merino Cardings Index finishing at 910¢.

The US exchange rate finished 0.63¢ (0.8%) higher to close at 78.57¢ on Thursday. The week-on-week rise was mostly driven by a 1.13¢ increase on Wednesday that financial analysts attributed to news of a rise in the Chinese manufacturing activity and the announcement from the United States Federal Reserve that interest rates are currently "on hold".

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 | 96¢ | 141¢ | 167¢ | 187¢ | 193¢ |
| South | 101¢ | 135¢ | 146¢ | 152¢ | No 16.5µ MPG |

| Market Indicator | Changes From | | | |
|--------------------------|----------------|---------------------|-------------------|-------------------------------------|
| | Four Sales Ago | Start of the Season | Week 35 Last Year | Season Average to Week 35 Last Year |
| Eastern Market Indicator | +18 (+1.7%) | +66 (+6.5%) | +11 (+1.0%) | -45 (-4.1%) |
| Western Market Indicator | +28 (+2.6%) | +58 (+5.5%) | +1 (+0.1%) | -41 (-3.6%) |

| 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 ¢ | -3 | +1 | +2 | -5 | -1 | +2 | -1 | +2 | +1 | -2 | -6 | |
| Change % | -0.2% | +0.1% | +0.2% | -0.4% | -0.1% | +0.2% | -0.1% | +0.2% | +0.1% | -0.2% | -0.5% | |
| Since Start of the Season | | | | | | | | | | | | |
| Change ¢ | +61 | +96 | +119 | +113 | +79 | +51 | +38 | +35 | +19 | +9 | +1 | |
| Change % | +4.8% | +7.8% | +10.0% | +9.6% | +6.8% | +4.4% | +3.3% | +3.1% | +1.7% | +0.8% | +0.1% | |
| Since Same Week Last Year | | | | | | | | | | | | |
| Change ¢ | -46 | -7 | +11 | +13 | -11 | -22 | -28 | -28 | -34 | -34 | -28 | |
| Change % | -3.3% | -0.5% | +0.8% | +1.0% | -0.9% | -1.8% | -2.3% | -2.3% | -2.8% | -2.9% | -2.4% | |

| 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 ¢ | +20 | +8 | +4 | +5 | +6 | +5 |
| Change % | +2.0% | +0.9% | +0.5% | +0.6% | +0.9% | +0.6% |
| Since Start of the Season | | | | | | |
| Change ¢ | | +71 | +137 | +134 | +114 | +112 |
| Change % | | +8.6% | +20.2% | +20.7% | +19.7% | +14.1% |
| Since Same Week Last Year | | | | | | |
| Change ¢ | +168 | +152 | +145 | +153 | +133 | +96 |
| Change % | +20.1% | +20.5% | +21.7% | +24.4% | +23.8% | +11.8% |

Average Merino Cardings Price Guide

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AWIS WOOL MARKET REVIEW Week Ending 27 February 2015 (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 December ABS export data.

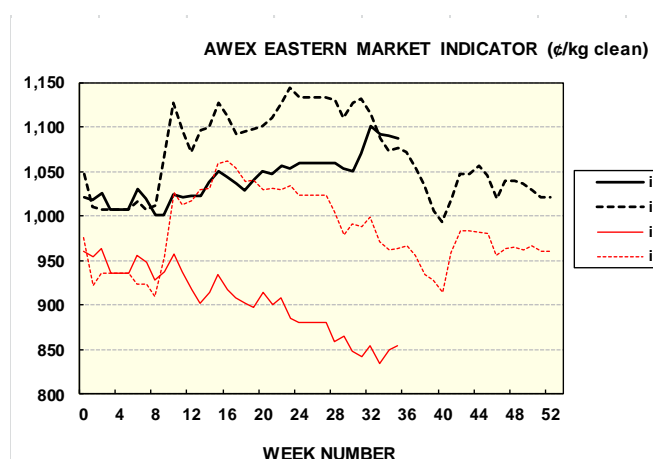
| Details of this Week's Offering and the Comparison with the Previous Sale's Offering | | | | | | |
|--|---------------|---------------|-------------|-----------------------|-------------|---------------|
| Centre | Last Sale | This Sale | | | | |
| | Offering | Offering | Passed-In | Withdrawn Before Sale | Re-Offered | Bales Sold |
| North | 13,737 | 13,610 | 7.4% | 3.3% | 6.8% | 12,604 |
| South | 24,978 | 23,479 | 8.7% | 4.5% | 5.3% | 21,443 |
| West | 10,868 | 9,638 | 9.8% | 2.9% | 8.8% | 8,690 |
| Australia | 49,583 | 46,727 | 8.5% | 3.8% | 6.5% | 42,737 |

| Actual and % Changes in the Progressive Offerings from Last Year | |
|--|--------------|
| -463 | -0.1% |
| +38,383 | +6.1% |
| +878 | +0.3% |
| +38,798 | +3.1% |

| Next Sale Offerings and Year-on-Year Differences | | | | |
|--|---------------|---------------|---------------|---------------|
| Centre | Week 36 | Week 37 | Week 38 | Differences |
| North | 11,554 | 10,830 | 10,500 | +12.7% |
| South | 24,130 | 23,365 | 23,400 | +14.2% |
| West | 10,090 | 10,300 | 11,100 | -0.4% |
| New Zealand | 3,050 | | | |
| Australia | 45,774 | 44,495 | 45,000 | +10.1% |
| Differences | +14.7% | +5.1% | +10.9% | |

| 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 | 77.94 | +0.16 | +0.24 | -0.61 | +1.13 | -0.29 | +0.63 (+0.8%) | 78.57 | 76.48 | 93.97 |
| Euro | 68.28 | +0.45 | +0.09 | -0.27 | +0.94 | -0.40 | +0.81 (+1.2%) | 69.09 | 66.87 | 71.1 |

| Country | % Share of Australia's Wool Exports by Weight of Wool Shipped | | | Year-on-Year % Change in Weight of Wool Exports July - December |
|-----------------------------|---|-----------------------------|-----------------------------|---|
| | December 2014 | July - December This Season | July - December Last Season | |
| China | 74.5% | 74.4% | 74.7% | +0.5% |
| India | 5.5% | 6.9% | 6.9% | -0.1% |
| Italy | 5.3% | 4.9% | 5.0% | -3.7% |
| Czech Republic | 6.2% | 5.3% | 5.4% | -0.1% |
| Malaysia | 2.0% | 1.8% | 1.8% | -0.2% |
| Korea | 2.3% | 2.1% | 2.0% | +14.0% |
| Taiwan | 0.9% | 1.0% | 0.9% | +11.8% |
| Egypt | 0.9% | 0.9% | 1.1% | -13.4% |
| Change all Countries | | | | +1.0% |



| AVERAGE EMI | |
|-------------|------|
| This Year | 1045 |
| Last Year | 1070 |
| 2012/13 | 1035 |
| 2011/12 | 1198 |
| 2010/11 | 1143 |

| SEASON AVERAGES | | |
|-----------------|-----------|------|
| Region | This Year | Diff |
| North | 1,066 | -23 |
| South | 1,031 | -25 |
| West | 1,084 | -21 |

| THIS YEAR'S EMI | |
|-----------------|-------|
| This Week | 1088 |
| First Week | 1018 |
| Low (27/09/0) | 1,001 |
| High (5/01/03) | 1101 |

| COMPARED WITH WEEK 1 | | |
|----------------------|-----------|------|
| Region | This Week | Diff |
| North | 1111 | 84 |
| South | 1072 | 58 |
| West (Wk) | 1117 | 64 |

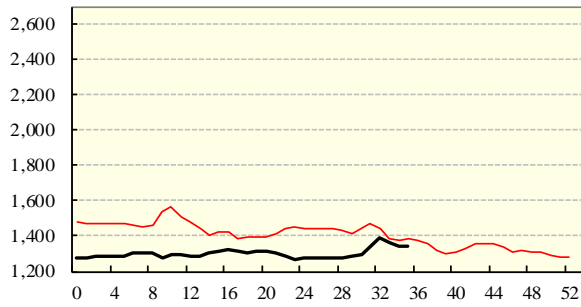
| BALES OFFERED | |
|---------------------|-----------|
| This Year | 1,293,736 |
| Last Year | 1,254,938 |
| Difference | 38,798 |
| % Diff | 3.1% |
| FIRST OFFERED BALES | |
| Difference | 1.8% |
| % of Offering | 93.2% |

| REGION BALES | | |
|---------------------|---------|-------|
| This Sale: | | |
| North | 65 | |
| South | 13,610 | |
| West | 23,479 | |
| Progressive Totals: | | Diff |
| North | 368,807 | -0.1% |
| South | 671,356 | 6.1% |
| West | 253,573 | 0.3% |

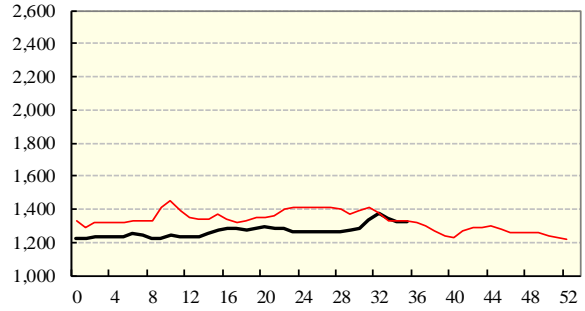
AVERAGE AWEX MICRON PRICE GUIDES

2014/15(black graph line) and 2013/14 (red graph line)

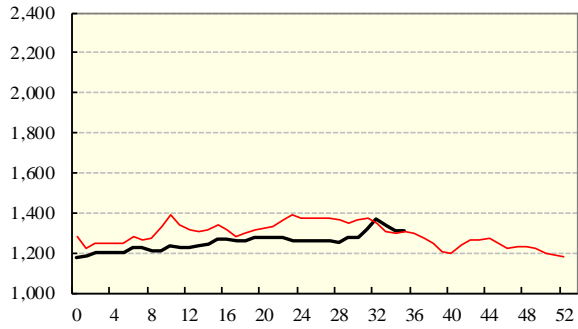
16.5 MICRONS



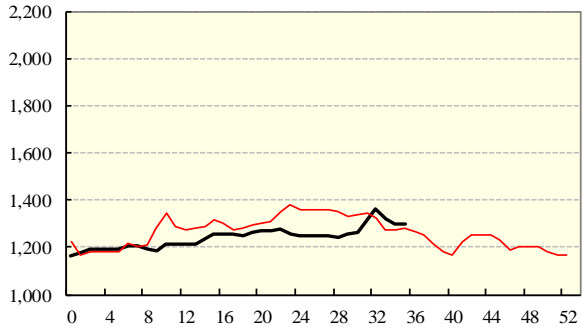
17.0 MICRONS



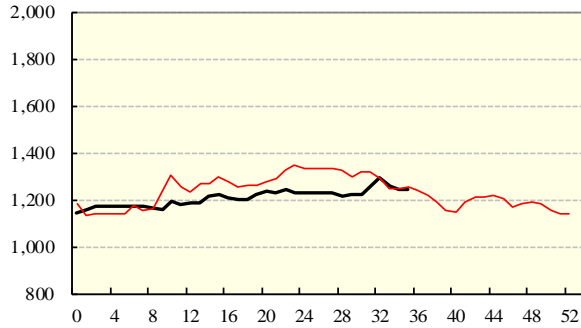
17.5 MICRONS



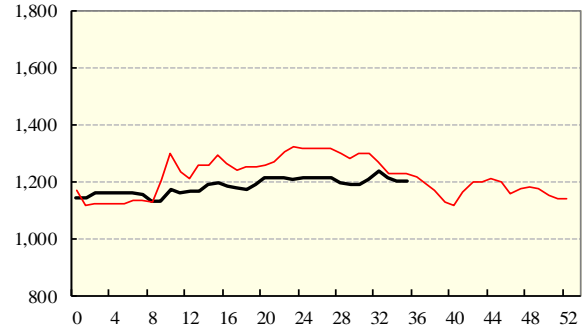
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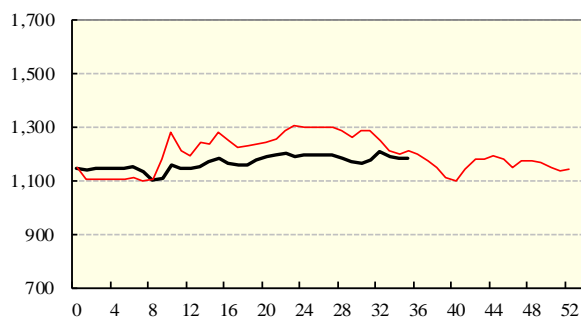
18.5 MICRONS



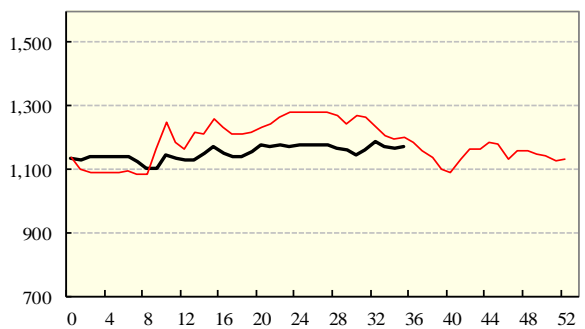
19.0 MICRONS



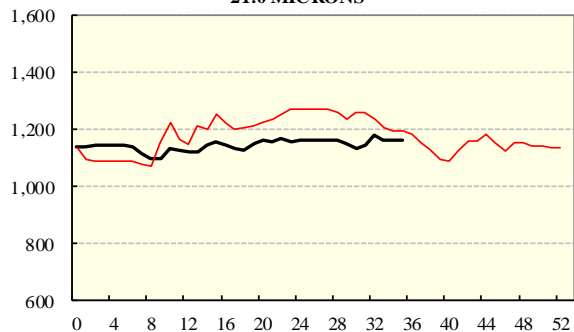
19.5 MICRONS



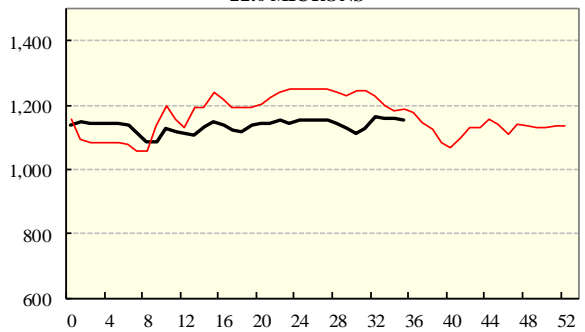
20.0 MICRONS



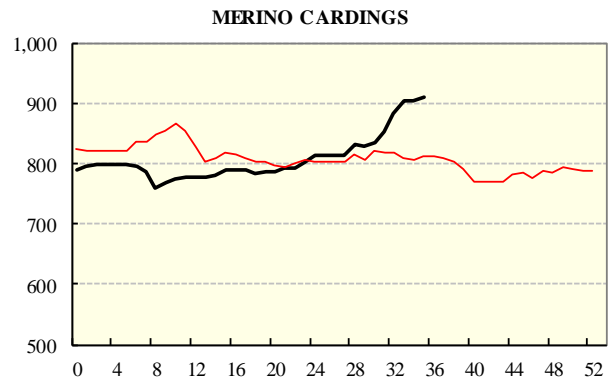
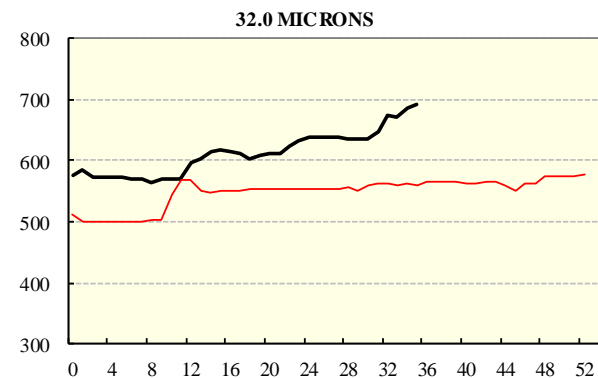
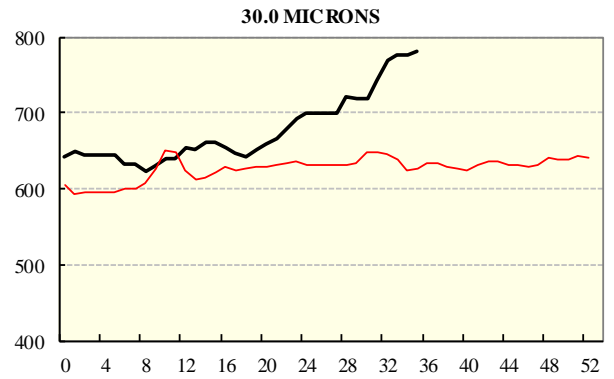
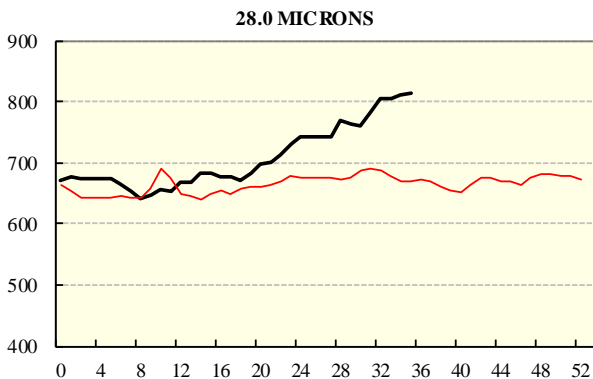
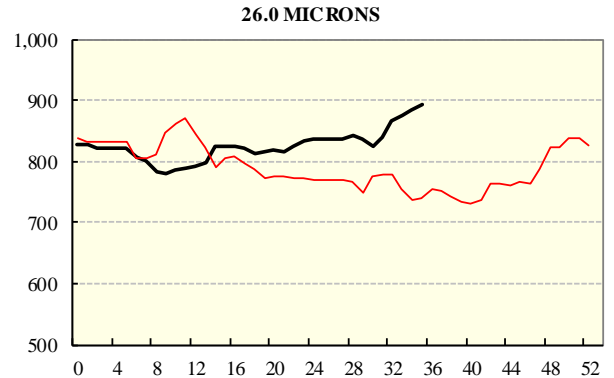
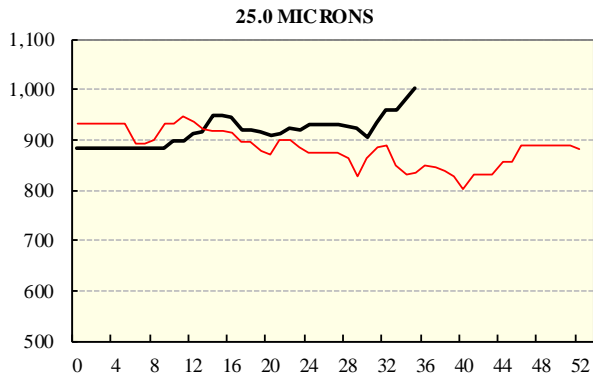
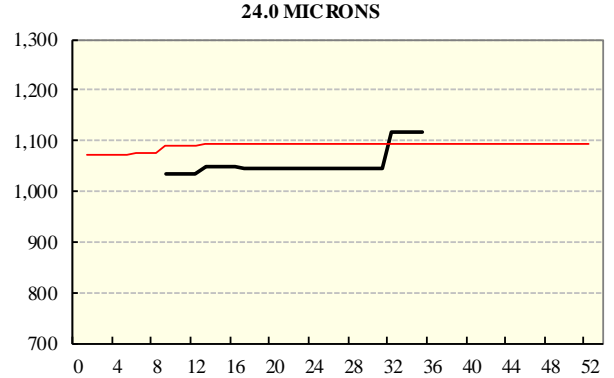
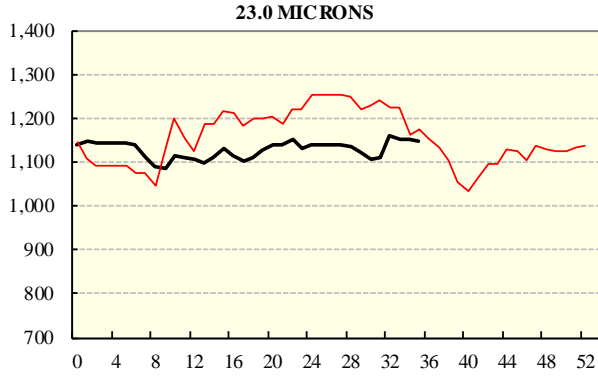
21.0 MICRONS



22.0 MICRONS

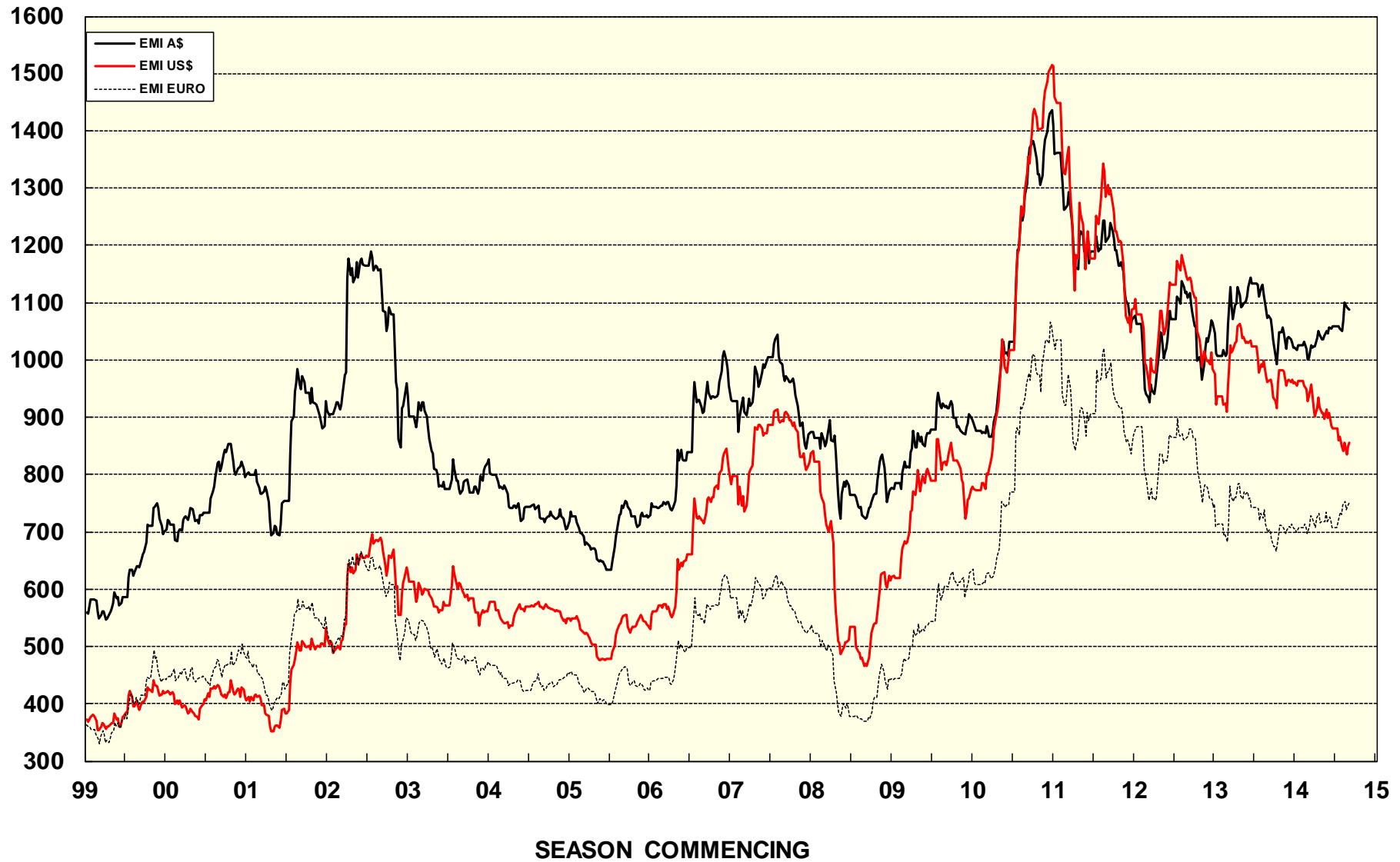


AVERAGE AWEX MICRON PRICE GUIDES
 2014/15(black graph line) and 2013/14 (red graph line)



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

(In Australian, United States and European Currencies)



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