

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW

Week Ending 8 May 2015 (Week 45)

The AWEX EMI finished 69¢ higher (+5.9%) in Australian currency and 56¢ higher (+6.0%) in US currency at sales in Sydney, Melbourne and Fremantle this week.

The EMI is at its highest level since mid-February 2012 and the WMI is at its highest level since mid-December 2011.

43,985 bales were on offer nationally, compared with 44,301 bales last sale. 1.1% of the offering was passed in.

Previously held wool continues to rush onto the market, with offerings up by 6.7% to date; and expected to be up by 15.6% over the next three sales.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 45)									
Centre	Last Sale		Day-to-Day Changes (Week 45)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	44	1172	No Sale	+55	+14	69 (5.9%)	1241	+56	+28
Northern	44	1199	No Sale	+61	+13	74 (6.2%)	1273	+59	+32
Southern	44	1155	No Sale	+51	+14	65 (5.6%)	1220	+52	+27
Western	44	1210	No Sale	+62	+15	77 (6.4%)	1287	+61	+34

Reports from the trade indicate that they were expecting further upward movement in the market this week. But, all were surprised when the EMI rose by 55¢ (+4.7%) on Wednesday.

Merino average AWEX MPGs were up by 5 to 7% for the week, with the best increases at 16.5 to 17.5 microns and at 23 microns. Three lots of Australian Superfine wool (AWEX ASF Style) sold for over 3,000¢ / kg greasy.

Crossbreds average MPGs rose by a bit over 3%, on average. Demand and prices for Merino skirtings followed the fleece wool. Oddments were again in very keen demand, with the average AWEX Merino Cardings Indicator up by 4.1% to 1034¢. Most average Merino MPGs are up by 15 to 16% since the same time last year, whereas the crossbred and Merino Cardings Indicators are up by around 30% since last year.

The US exchange rate fell after the previous week's sale in anticipation of the 0.25% cut in Australia's cash rate. But, it then increased in response to the weaker US economic data, finishing 0.02¢ (0.0%) higher to close at 79.83¢ on Thursday.

Buyers for China were the principal drivers of the market. But, there was a strong presence from Europe, together with support from 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	162¢	179¢	207¢	229¢	260¢
South	164¢	194¢	214¢	231¢	264¢

Market Indicator	Changes From			
	Four Sales Ago	Start of the Season	Week 45 Last Year	Season Average to Week 45 Last Year
Eastern Market Indicator	+135 (+12.2%)	+219 (+21.4%)	+195 (+18.6%)	-12 (-1.1%)
Western Market Indicator	+150 (+13.2%)	+228 (+21.5%)	+199 (+18.3%)	-7 (-0.6%)

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 ¢	+97	+98	+94	+82	+87	+84	+79	+74	+69	+69	+80	
Change %	+6.8%	+7.0%	+6.8%	+6.0%	+6.5%	+6.4%	+6.1%	+5.8%	+5.5%	+5.8%	+6.9%	
Since Start of the Season												
Change ¢	+247	+265	+282	+270	+259	+246	+229	+204	+175	+123	+94	
Change %	+19.3%	+21.5%	+23.6%	+22.8%	+22.3%	+21.4%	+20.1%	+18.0%	+15.3%	+10.7%	+8.2%	
Since Same Week Last Year												
Change ¢	+194	+218	+226	+221	+217	+201	+195	+161	+163	+130	+115	
Change %	+14.5%	+17.1%	+18.1%	+17.9%	+18.0%	+16.8%	+16.6%	+13.7%	+14.1%	+11.4%	+10.2%	

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 ¢		+37	+26	+23	+13	+41
Change %		+3.8%	+3.0%	+2.9%	+1.9%	+4.1%
Since Start of the Season						
Change ¢		+181	+202	+175	+130	+237
Change %		+22.0%	+29.8%	+27.1%	+22.5%	+29.7%
Since Same Week Last Year						
Change ¢		+237	+209	+191	+159	+248
Change %		+31.0%	+31.2%	+30.3%	+28.9%	+31.6%

Average Merino Cardings Price Guide

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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 March ABS export data.

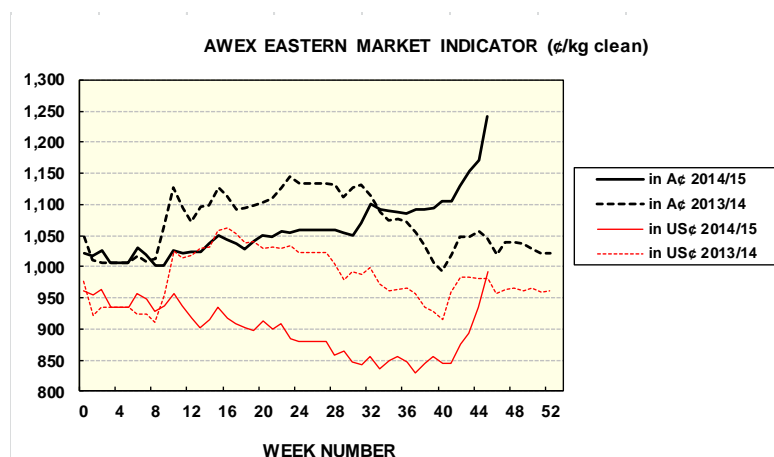
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re-Offered	Bales Sold
North	11,256	10,174	1.1%	2.0%	3.2%	10,062
South	24,562	24,034	1.1%	1.3%	4.0%	23,776
West	8,483	9,777	1.0%	2.7%	4.3%	9,679
Australia	44,301	43,985	1.1%	1.8%	3.9%	43,517

Actual and % Changes in the Progressive Offerings from Last Year	
+30,425	+6.8%
+70,900	+8.7%
+5,645	+1.7%
+106,970	+6.7%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 46	Week 47	Week 48	Differences
North	11,351	9,980	9,800	+8.3%
South	21,142	18,065	21,100	+7.1%
West	9,356	6,900	7,200	+10.9%
New Zealand	3,050			
Australia	41,849	34,945	38,100	+8.2%
Differences	+3.5%	+14.1%	+8.5%	

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	79.81	-0.78	-0.68	+0.59	+0.63	+0.26	+0.02 (+0.0%)	79.83	76.04	93.97
Euro	71.98	-1.54	-0.51	+0.99	-0.07	-0.55	-1.68 (-2.3%)	70.3	66.87	72.51

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change in Weight of Wool Exports July - March
	March 2015	July - March This Season	July - March Last Season	
China	78.3%	75.4%	74.7%	+5.2%
India	6.1%	6.4%	7.2%	-7.7%
Italy	3.8%	4.7%	5.1%	-4.4%
Czech Republic	4.3%	4.9%	4.9%	+4.1%
Malaysia	1.7%	1.9%	1.8%	+13.0%
Korea	2.4%	2.2%	1.8%	+24.2%
Taiwan	0.7%	0.9%	0.9%	+6.9%
Egypt	0.6%	0.9%	1.0%	-17.6%
Change all Countries				+4.2%



AVERAGE EMI	
This Year	1065
Last Year	1070
2012/13	1035
2011/12	1198
2010/11	1143

SEASON AVERAGES		
Region	This Year	Diff
North	1,087	-2
South	1,051	-5
West	1,103	-2

THIS YEAR'S EMI	
This Week	1241
First Week	1018
Low (27/09/0)	1,001
High (25/05/0)	1241

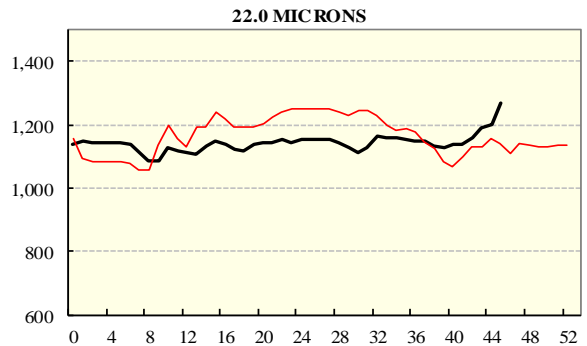
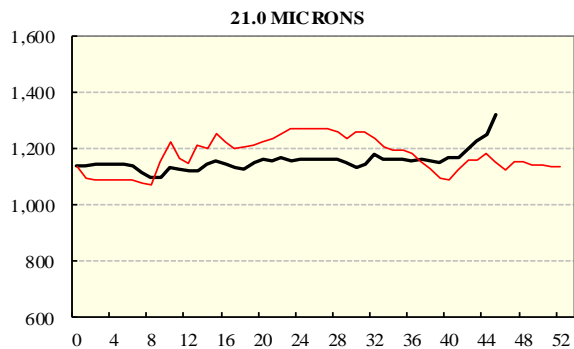
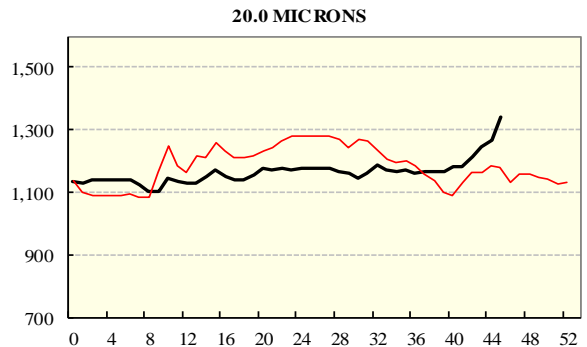
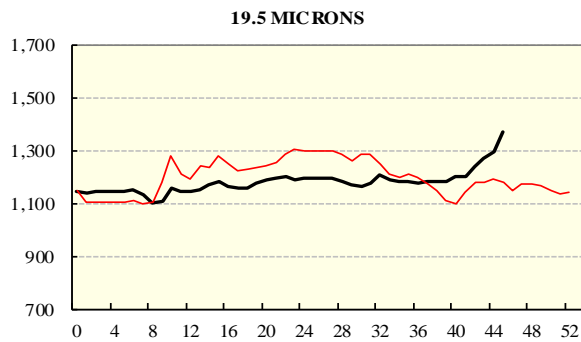
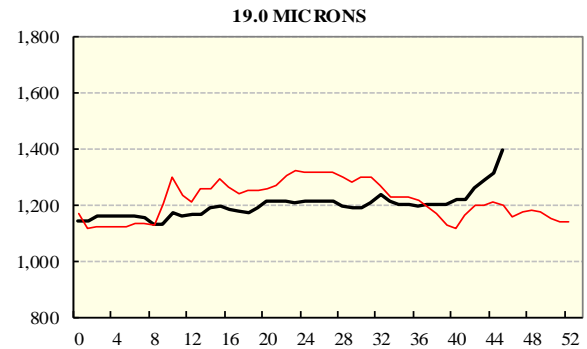
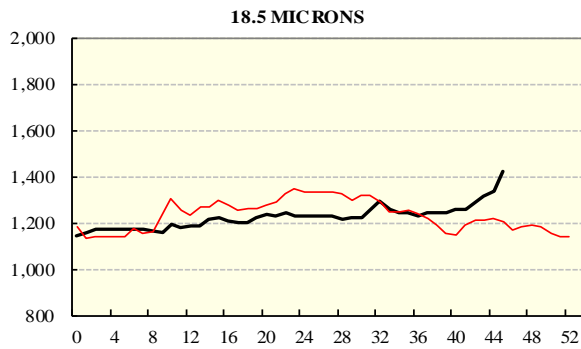
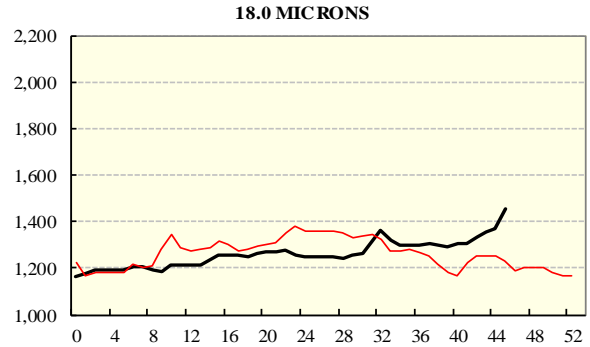
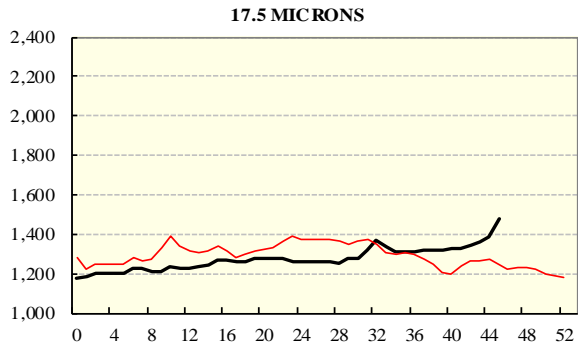
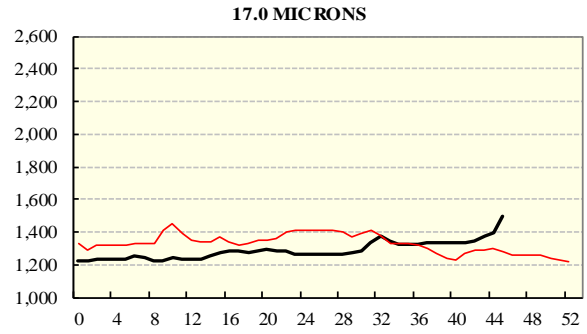
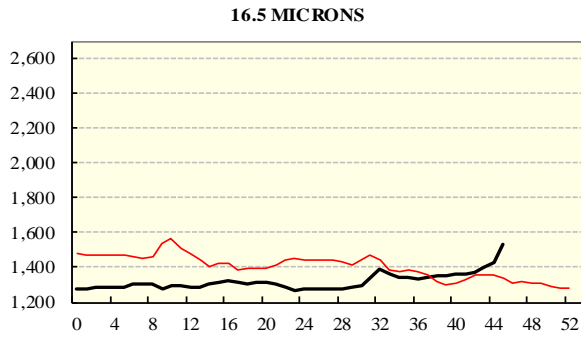
COMPARED WITH WEEK 1		
Region	This Week	Diff
North	1273	246
South	1220	206
West (Wk)	1287	234

BALES OFFERED	
This Year	1,700,950
Last Year	1,593,980
Difference	106,970
% Diff	6.7%
FIRST OFFERED BALES	
Difference	6.5%
% of Offering	93.5%

REGION BALES		
This Sale:		
North	66	
South	10,174	
West	24,034	
Progressive Totals:		
North	476,704	6.8%
South	881,211	8.7%
West	343,035	1.7%

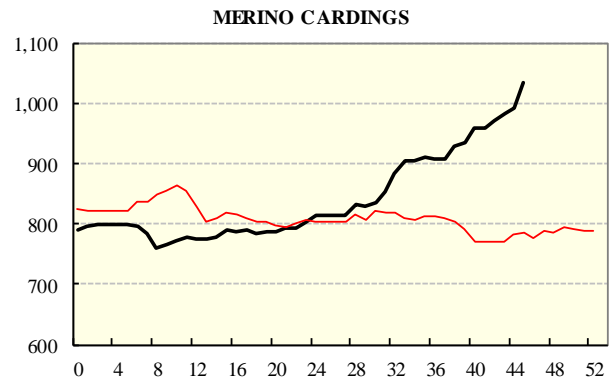
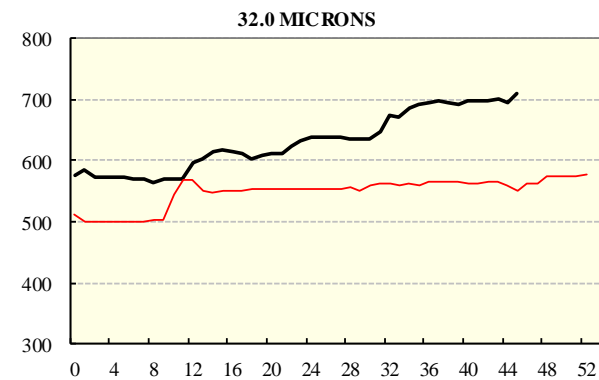
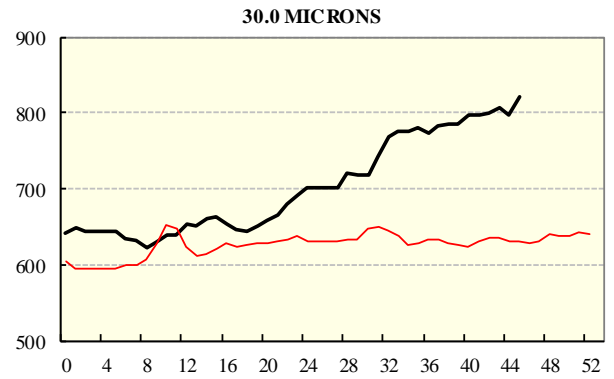
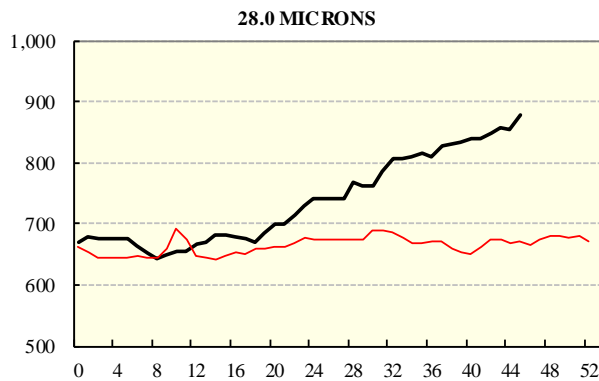
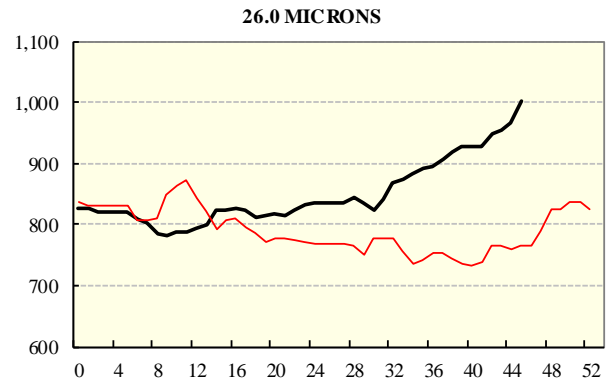
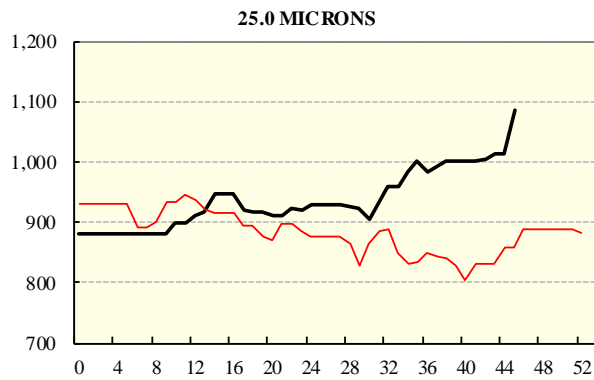
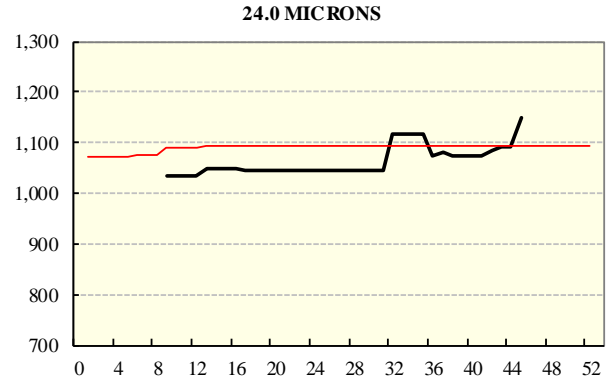
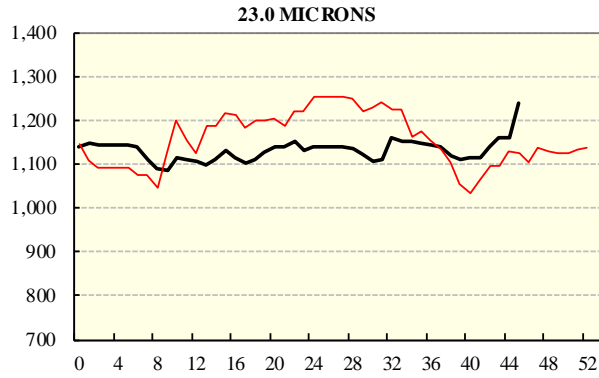
AVERAGE AWEX MICRON PRICE GUIDES

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



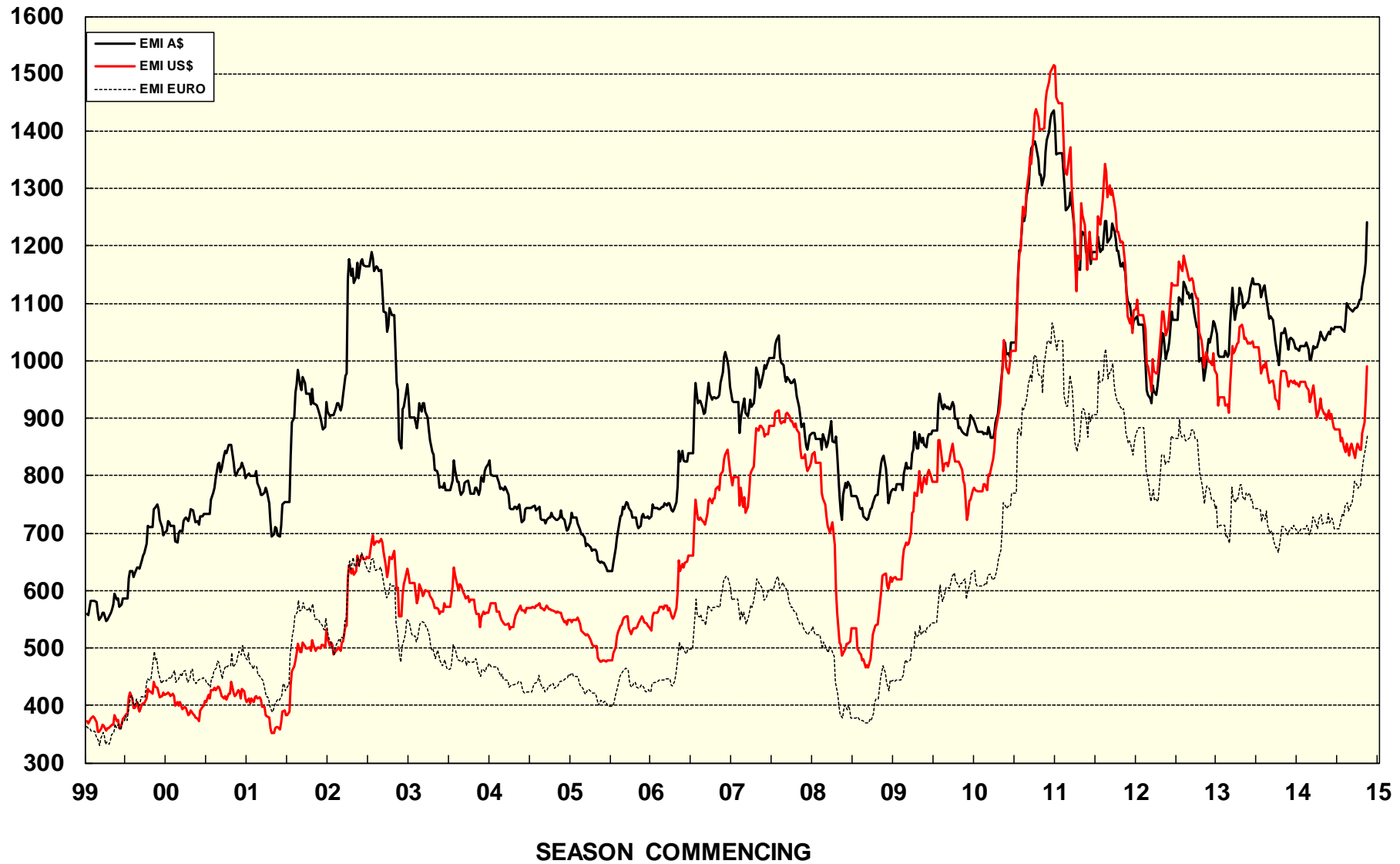
AVERAGE AWEX MICRON PRICE GUIDES

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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