

# AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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## AWIS WOOL MARKET REVIEW

Week Ending 21 August 2015 (Week 08)

The AWEX EMI finished at 1263¢, 41¢ lower (-3.1%) in Australian currency and 34¢ lower (-3.5%) in US currency at sales in Sydney and Melbourne this week.

31,975 bales were on offer nationally, compared with 28,515 bales last sale. 15.1% of the offering was passed in. The pass-in rate was very high considering that the EMI is at a level that has not often been reached. But, it is consistent with what has been seen in the past – that is, the pass-in rates are always greater when prices are moving down than when prices are moving up, irrespective of the level of the market.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 08)									
Centre	Last Sale		Day-to-Day Changes (Week 08)			Sale-to-Sale	Closing	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday	Change	Indicator	US ¢	Euro ¢
Eastern	07	1304	No Sale	-23	-18	-41 (-3.1%)	1263	-34	-30
Northern	07	1323	No Sale	-24	-16	-40 (-3.0%)	1283	-34	-29
Southern	07	1292	No Sale	-23	-19	-42 (-3.3%)	1250	-35	-31
Western	07	1355	No Sale	No Sale	No Sale				

The sharp rises of the first two sales since the mid-year break came to a halt this week, when the market came back over both days of selling. However, the EMI at 1263¢ is still higher than when sales resumed after the mid-year break.

Possible reasons for the fall include - offerings are increasing over the next two sales, some immediate shipping commitments have been met. It is not clear what role the devaluation of the Yuan may have had.

The greatest impact was seen in the Merino types, particularly in Merino fleece. This was the reverse of the last two sales when the Merino types were in the strongest demand. Changes in the average AWEX Micron Price Guides were least at the fine end.

Crossbred wools and oddments were least affected, while Merino skirtings followed the fleece types.

The US exchange rate was relatively unchanged during the week. It finished 0.34¢ (-0.5%) lower to close at 73.46¢ on Thursday. The exchange rate against the Yuan was also steady, finishing 0.7% lower after last week's 3.9% fall.

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¢	130¢	141¢	151¢	No 16.5µ MPG
South	78¢	94¢	113¢	124¢	136¢

Market Indicator	Changes From			
	Four Sales Ago	Start of the Season	Week 08 Last Year	Season Average to Week 08 Last Year
Eastern Market Indicator	+32 (+2.6%)	+37 (+3.0%)	+262 (+26.2%)	+236 (+23.2%)
Western Market Indicator	No Sale	No Sale	No Sale	No Sale

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 ¢	-53	-58	-62	-72	-61	-70	-75	-69	-68	-55	-42	
Change %	-3.4%	-3.8%	-4.0%	-4.7%	-4.1%	-4.8%	-5.2%	-4.9%	-4.8%	-4.0%	-3.1%	
Since Start of the Season												
Change ¢	-6	-3	+6	+30	+39	+54	+43	+43	+39	+54	+64	
Change %	-0.4%	-0.2%	+0.4%	+2.1%	+2.8%	+4.0%	+3.2%	+3.3%	+3.0%	+4.2%	+5.0%	
Since Same Week Last Year												
Change ¢	+210	+260	+264	+266	+248	+261	+264	+251	+244	+249	+246	
Change %	+16.1%	+21.3%	+21.9%	+22.3%	+21.3%	+23.1%	+23.9%	+22.8%	+22.2%	+22.9%	+22.6%	

Sale-to-Sale Changes in Other Average AWEX Price Guides						
Micron	25.0	26.0	28.0	30.0	32.0	MC <sup>#</sup>
Since Last Sale						
Change ¢		0	-8	+3		+3
Change %		0.0%	-0.9%	+0.3%		+0.3%
Since Start of the Season						
Change ¢		+27	+29	+75	+70	+38
Change %		+2.5%	+3.3%	+9.5%	+10.5%	+3.7%
Since Same Week Last Year						
Change ¢		+303	+279	+243	+171	+310
Change %		+38.6%	+43.5%	+39.0%	+30.4%	+40.8%

# Average Merino Cardings Price Guide

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## AWIS WOOL MARKET REVIEW Week Ending 21 August 2015 (Week 08)

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.

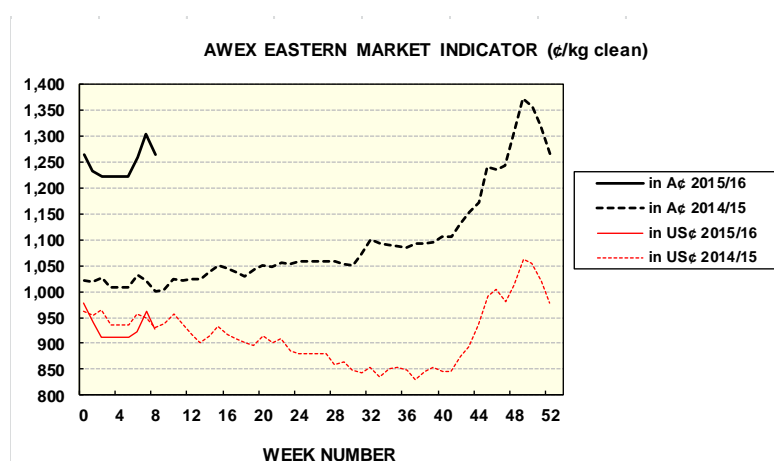
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re-Offered	Bales Sold
North	11,614	13,338	14.8%	0.4%	5.3%	11,360
South	11,696	18,637	15.2%	0.5%	4.8%	15,799
West	5,205					
<b>Australia</b>	<b>28,515</b>	<b>31,975</b>	<b>15.1%</b>	<b>0.5%</b>	<b>5.0%</b>	<b>27,159</b>

Actual and % Changes in the Progressive Offerings from Last Year	
-1,620	-2.2%
+1,498	+1.7%
-2,221	-7.1%
<b>-2,343</b>	<b>-1.2%</b>

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 09	Week 10	Week 11	Differences
North	12,830	11,330	11,500	<b>+19.9%</b>
South	17,077	24,150	18,500	<b>+0.4%</b>
West	11,505	7,450	7,700	<b>-2.1%</b>
<b>New Zealand</b>		<i>1,650</i>		
<b>Australia</b>	<b>41,412</b>	<b>42,930</b>	<b>37,700</b>	<b>+4.8%</b>
<b>Differences</b>	<b>-3.7%</b>	<b>+17.1%</b>	<b>+2.4%</b>	

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	73.8	-0.05	0.00	-0.10	-0.34	+0.15	-0.34 (-0.5%)	73.46	73.35	76.49
Euro	66.23	-0.09	+0.32	+0.14	-0.30	-0.28	-0.21 (-0.3%)	66.02	66.02	69.08

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change in Weight of Wool Exports July - June
	June 2015	July - June This Season	July - June Last Season	
China	80.1%	76.9%	74.9%	+13.1%
India	7.3%	6.4%	8.0%	-11.5%
Italy	1.7%	3.9%	4.5%	-4.1%
Czech Republic	4.4%	4.8%	5.0%	+11.9%
Malaysia	0.7%	1.7%	1.7%	+13.8%
Korea	1.8%	2.1%	1.9%	+21.3%
Taiwan	0.9%	0.8%	1.0%	+12.0%
Egypt	1.4%	0.9%	1.0%	-2.2%
<b>Change all Countries</b>				<b>+10.1%</b>



AVERAGE EMI	
This Year	1255
Last Year	1102
2013/14	1070
2012/13	1035
2011/12	1198

SEASON AVERAGES		
Region	This Year	Diff
North	1,276	152
South	1,242	155
West	1,284	155

THIS YEAR'S EMI	
This Week	1263
First Week	1231
Low (5/05/03)	1,221
High (27/07/03)	1304

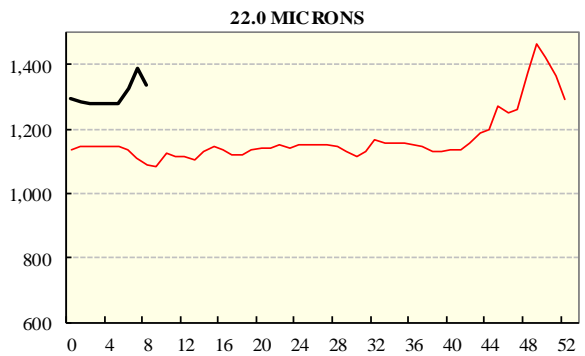
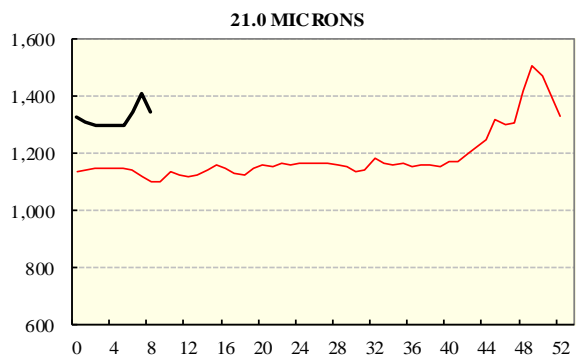
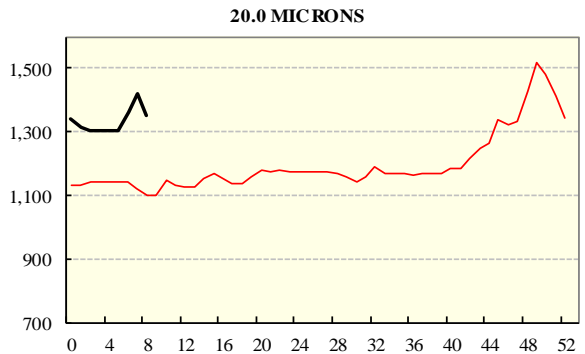
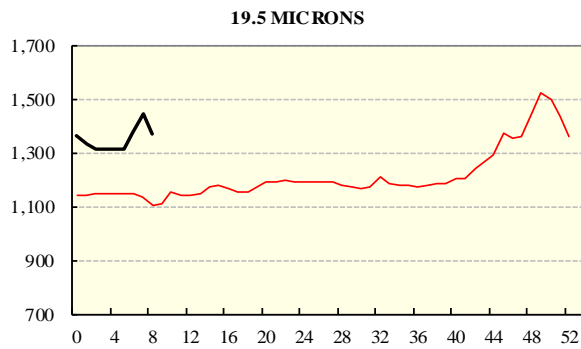
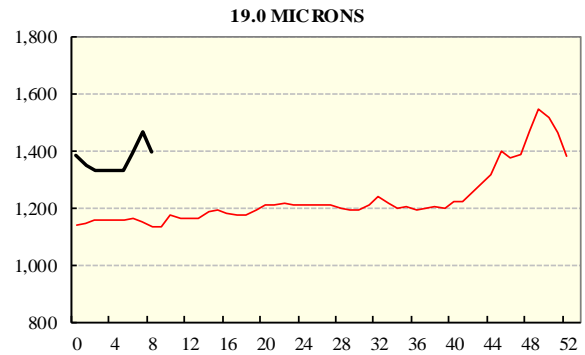
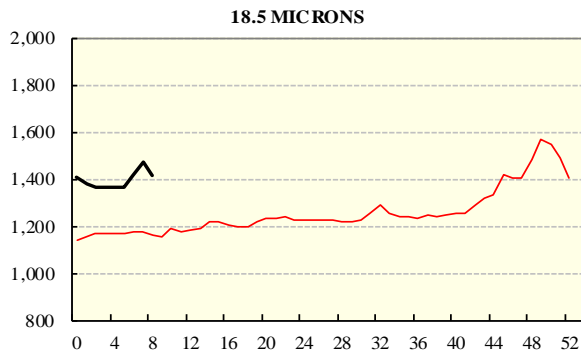
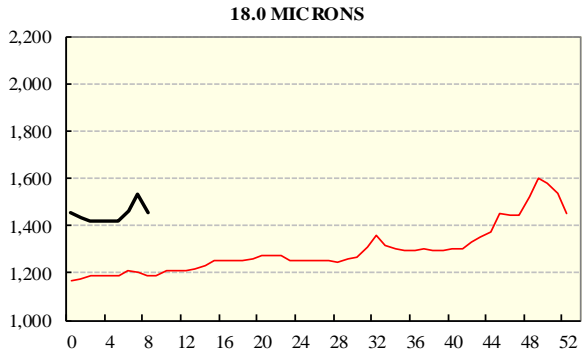
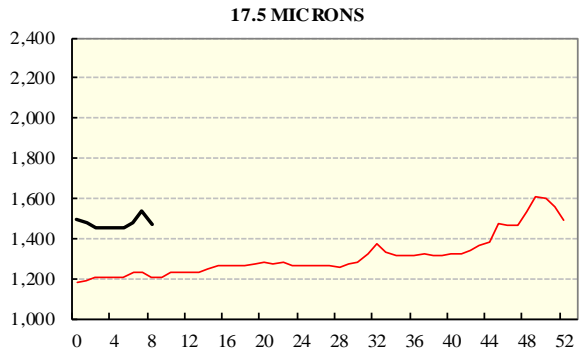
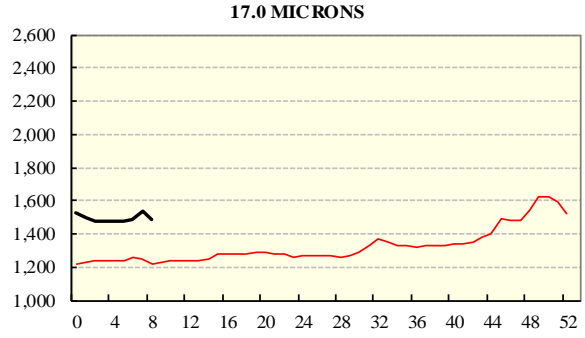
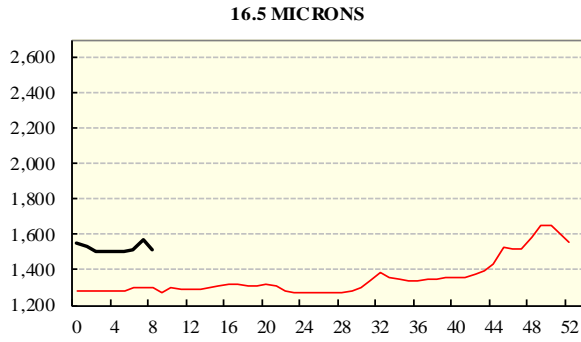
COMPARED WITH WEEK 1		
Region	This Week	Diff
North	1283	33
South	1250	31
West (Wk)	1355	104

BALES OFFERED	
This Year	189,537
Last Year	191,880
Difference	-2,343
% Diff	-1.2%
FIRST OFFERED BALES	
Difference	-0.2%
% of Offering	95%

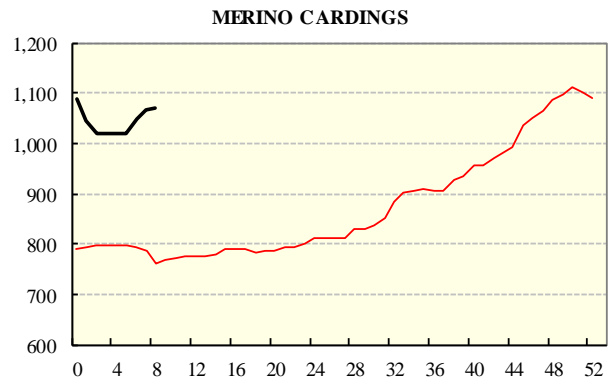
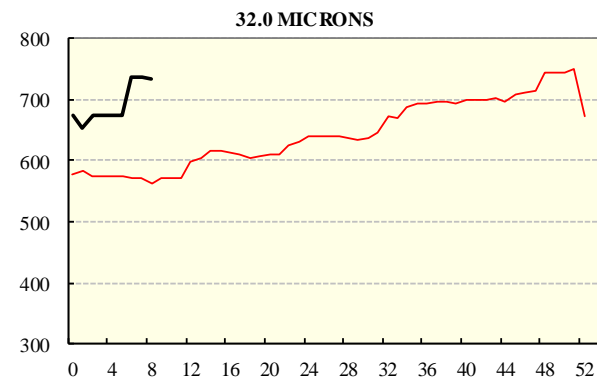
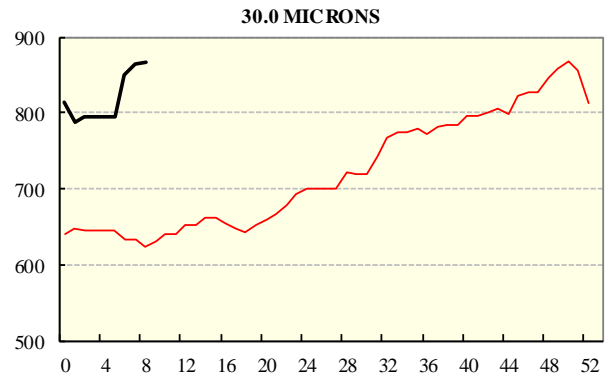
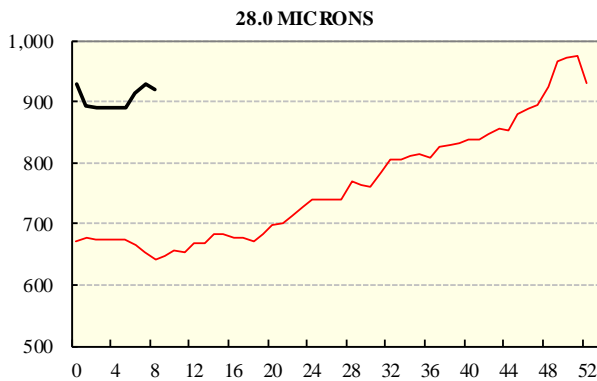
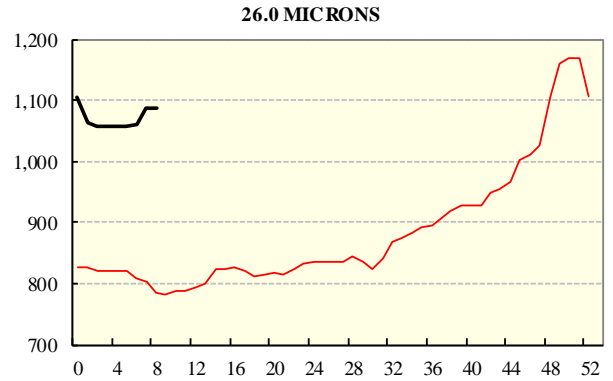
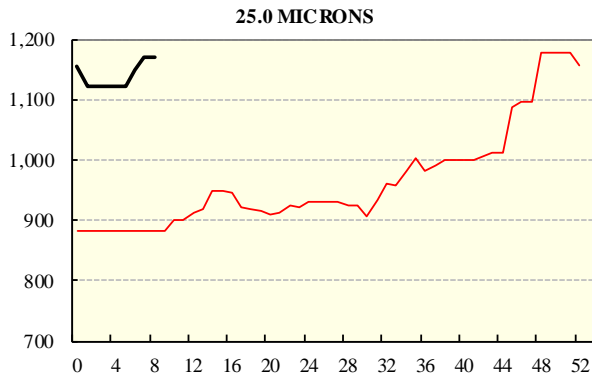
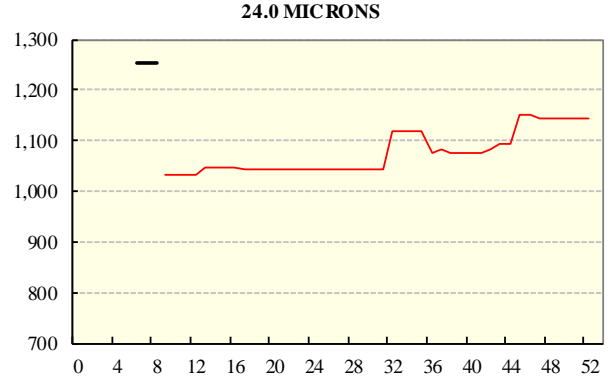
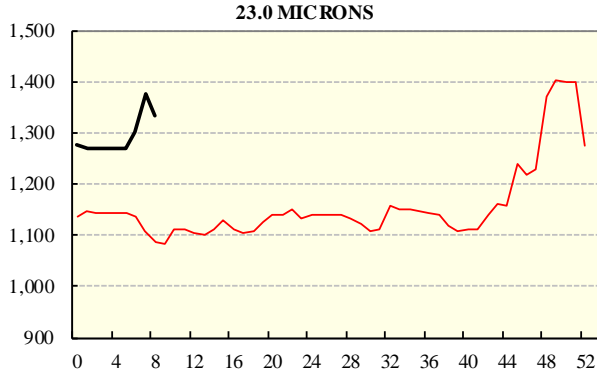
REGION BALES		
This Sale:		
North	63	
South	13,338	
West	18,637	
Progressive Totals:		
North	70,573	-2.2%
South	89,702	1.7%
West	29,262	-7.1%

# **AVERAGE AWEX MICRON PRICE GUIDES**

2015/16( black graph line) and 2014/15 (red graph line)

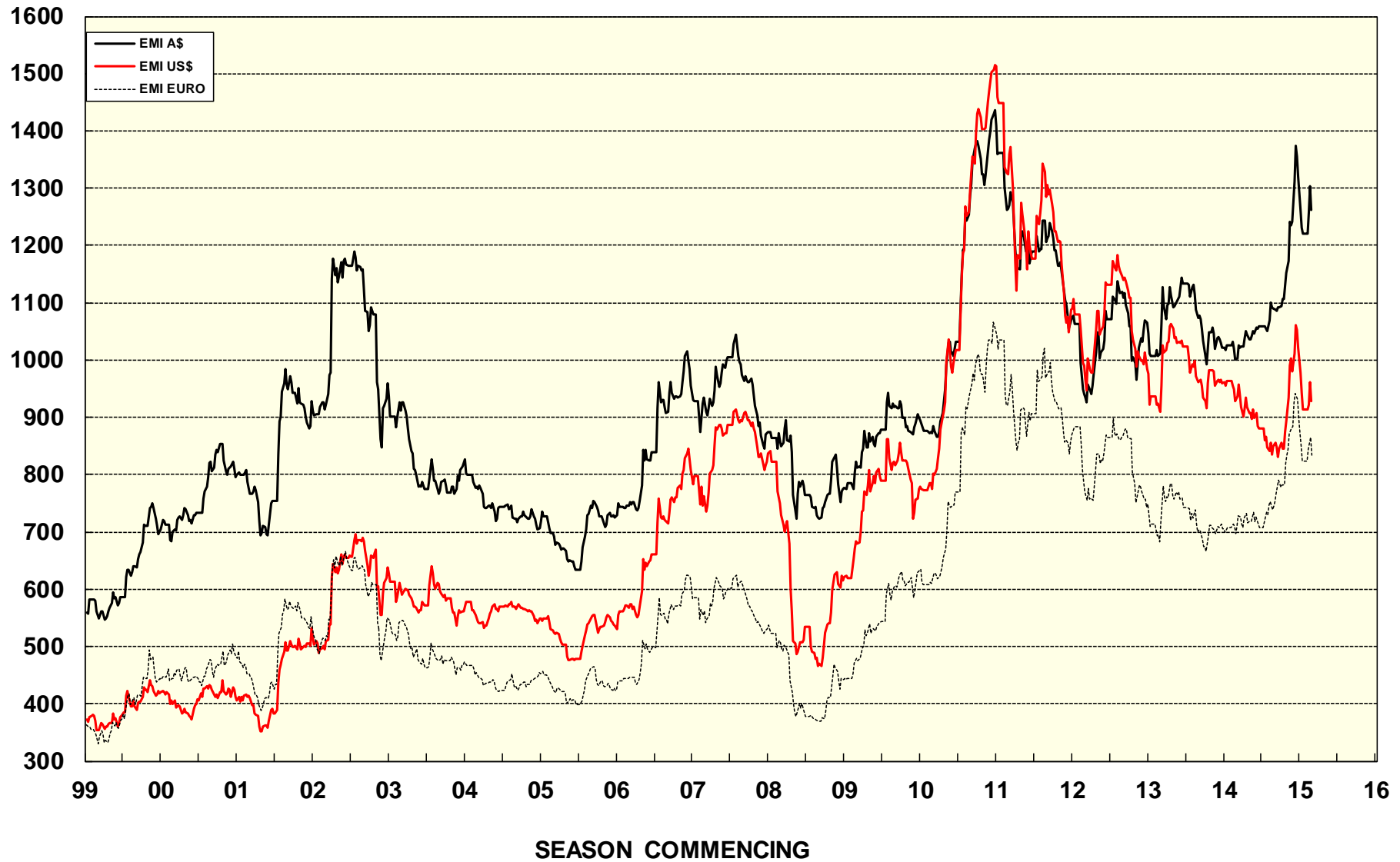


**AVERAGE AWEX MICRON PRICE GUIDES**  
 2015/16( black graph line) and 2014/15 (red graph line)



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

(In Australian, United States and European Currencies)



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