

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW

Week Ending 18 September 2015 (Week 12)

The AWEX EMI finished at 1234¢, 26¢ lower (-2.1%) in Australian currency and 3¢ higher (+0.3%) in US currency at sales in Sydney, Melbourne and Fremantle this week.

37,215 bales were on offer nationally, compared with 33,721 bales last sale. 14.7% of the offering was passed in.

The New Zealand Merino Company offered 1,555 bales in Melbourne on Tuesday, of which 14.2% were passed in.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 12)									
Centre	Last Sale		Day-to-Day Changes (Week 12)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	11	1260	No Sale	-19	-7	-26 (-2.1%)	1234	+3	-4
Northern	11	1283	No Sale	-18	-9	-27 (-2.1%)	1256	+3	-4
Southern	11	1245	No Sale	-20	-5	-25 (-2.0%)	1220	+4	-3
Western	11	1312	No Sale	-33	-8	-41 (-3.1%)	1271	-7	-13

This week's market was very much affected by the 2.5% rise in the US exchange rate. While the EMI was up by 3¢ in US currency, it was down by 26¢ in Australian currency. Most of the change occurred on Wednesday, at which time the US exchange rate was up by 1.8%.

Merino types were most affected, with the fine end of the micron range was less affected than the broader Merino wools. 20.8% of the Merino fleece wool was passed in. Merino skirtings followed the fleece types, but had a lower clearance rate, with a pass-in rate of 5.9%.

Crossbred AWEX Micron Price Guides eased on Wednesday in response to the increase in the US exchange rate, but steadied on Thursday. They were less affected than the Merinos on a week-to-week basis. Oddments were the best performed sector of the industry with gains on both days. The average AWEX Merino Cardings Indicator was up by 13¢ (1.2%).

The US exchange rate finished 1.73¢ (2.5%) higher to close at 71.87¢ on Thursday. The increase was mostly attributed to better iron ore prices and a growing expectation that the US Federal Reserve would leave their official interest rate unchanged.

Buyers for China were dominant, with support from buyers for Europe and 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	144¢	168¢	172¢	193¢	229¢
South	127¢	149¢	161¢	179¢	195¢

Market Indicator	Four Sales Ago	Changes From		
		Start of the Season	Week 12 Last Year	Season Average to Week 12 Last Year
Eastern Market Indicator	-29 (-2.3%)	+8 (+0.7%)	+211 (+20.6%)	+231 (+22.7%)
Western Market Indicator	No Sale	+18 (+1.4%)	+205 (+19.2%)	+221 (+20.8%)

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 ¢	-16	-21	-30	-31	-33	-29	-41	-43	-45	-39	-38	
Change %	-1.1%	-1.4%	-2.0%	-2.1%	-2.3%	-2.1%	-3.0%	-3.2%	-3.4%	-3.0%	-2.9%	
Since Start of the Season												
Change ¢	-36	-28	-28	+3	+27	+17	-7	-18	-28	-16	-6	
Change %	-2.4%	-1.9%	-1.9%	+0.2%	+2.0%	+1.3%	-0.5%	-1.4%	-2.2%	-1.2%	-0.5%	
Since Same Week Last Year												
Change ¢	+194	+221	+208	+219	+215	+194	+175	+164	+156	+152	+160	
Change %	+15.1%	+17.9%	+16.9%	+18.1%	+18.1%	+16.7%	+15.3%	+14.5%	+14.0%	+13.6%	+14.5%	

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 ¢		+5	-19	-12	0	+13
Change %		+0.4%	-2.0%	-1.3%	0.0%	+1.2%
Since Start of the Season						
Change ¢	+72	+82	+40	+92	+94	+69
Change %	+6.4%	+7.7%	+4.5%	+11.6%	+14.2%	+6.7%
Since Same Week Last Year						
Change ¢	+284	+349	+264	+230	+161	+325
Change %	+31.2%	+44.0%	+39.5%	+35.2%	+27.0%	+41.9%

Average Merino Cardings Price Guide

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AWIS WOOL MARKET REVIEW Week Ending 18 September 2015 (Week 12)

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 July ABS export data.

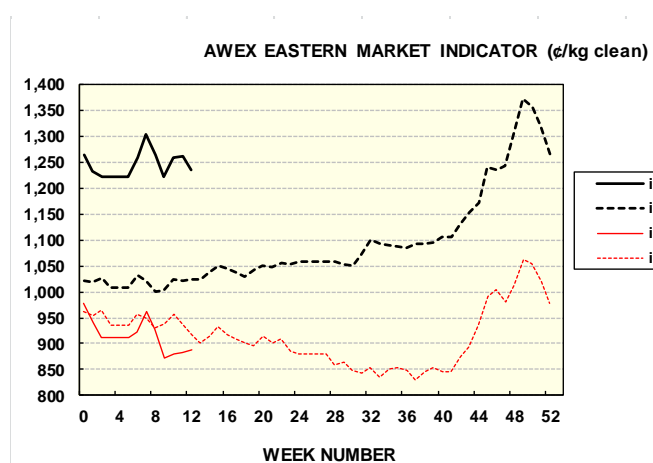
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re-Offered	Bales Sold
North	10,721	9,059	7.0%	1.6%	3.7%	8,426
South	15,916	19,898	14.5%	2.8%	4.1%	17,016
West	7,084	8,258	23.5%	5.5%	2.2%	6,320
Australia	33,721	37,215	14.7%	3.1%	3.5%	31,762

Actual and % Changes in the Progressive Offerings from Last Year	
-658	-0.6%
-10,182	-6.0%
-4,749	-7.1%
-15,589	-4.4%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 13	Week 14	Week 15	Differences
North	11,182	11,160	11,600	-2.2%
South	17,365	22,550	22,700	-2.7%
West	7,153	8,050	8,400	-2.1%
New Zealand			2,200	
Australia	35,700	41,760	42,700	-2.5%
Differences	-11.4%	-0.6%	+4.4%	

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	70.14	+0.49	+0.14	+0.37	+0.23	+0.50	+1.73 (+2.5%)	71.87	70	76.49
Euro	62.62	-0.06	-0.15	+0.42	+0.44	+0.38	+1.03 (+1.6%)	63.65	62.2	69.08

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change in Weight of Wool Exports July - July
	July 2015	July - July This Season	July - July Last Season	
China	74.8%	74.8%	68.0%	+13.0%
India	10.5%	10.5%	11.5%	-5.2%
Italy	5.2%	5.2%	4.5%	+20.9%
Czech Republic	2.0%	2.0%	4.7%	-55.6%
Malaysia	1.7%	1.7%	1.6%	+8.0%
Korea	1.4%	1.4%	3.6%	-60.0%
Taiwan	0.8%	0.8%	1.4%	-45.9%
Egypt	1.9%	1.9%	1.6%	+17.6%
Change all Countries				+3.3%



AVERAGE EMI	
This Year	1250
Last Year	1102
2013/14	1070
2012/13	1035
2011/12	1198

SEASON AVERAGES		
Region	This Year	Diff
North	1,271	147
South	1,236	150
West	1,285	156

THIS YEAR'S EMI	
This Week	1234
First Week	1231
Low (5/05/03)	1,221
High (27/07/03)	1304

COMPARED WITH WEEK 1		
Region	This Week	Diff
North	1256	6
South	1220	1
West (Wk)	1271	20

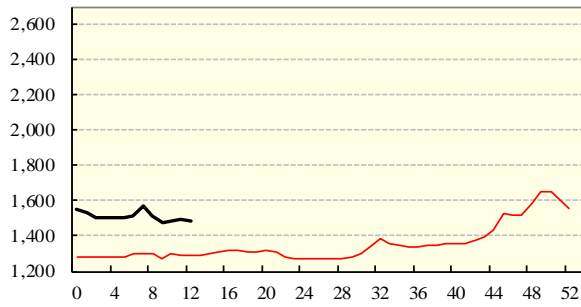
BALES OFFERED	
This Year	334,875
Last Year	350,464
Difference	-15,589
% Diff	-4.4%
FIRST OFFERED BALES	
Difference	-3.1%
% of Offering	94.8%

REGION BALES		
This Sale:		
North	61	
South	9,059	
West	19,898	
Progressive Totals:		
North	111,691	-0.6%
South	160,905	-6.0%
West	62,279	-7.1%

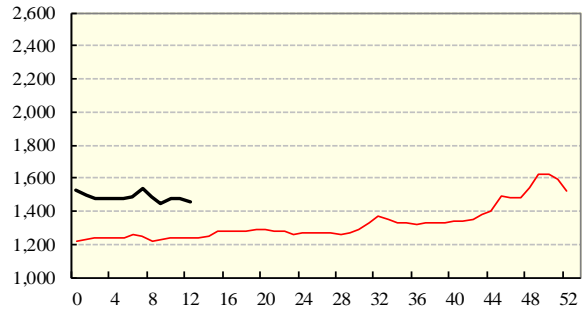
AVERAGE AWEX MICRON PRICE GUIDES

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

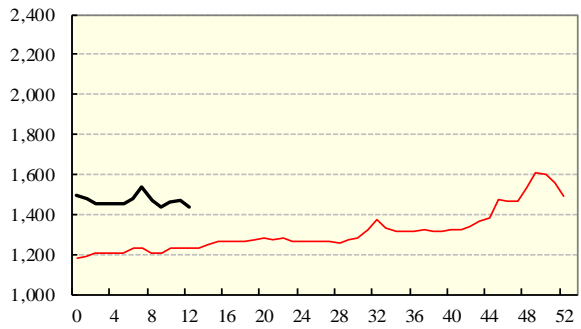
16.5 MICRONS



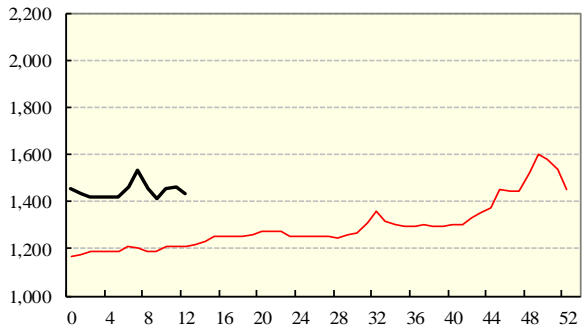
17.0 MICRONS



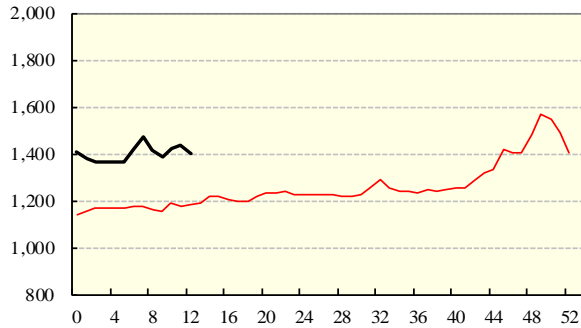
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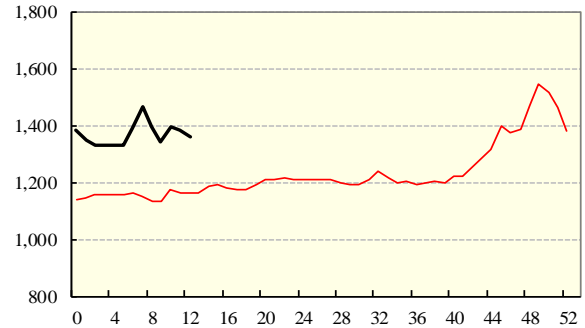
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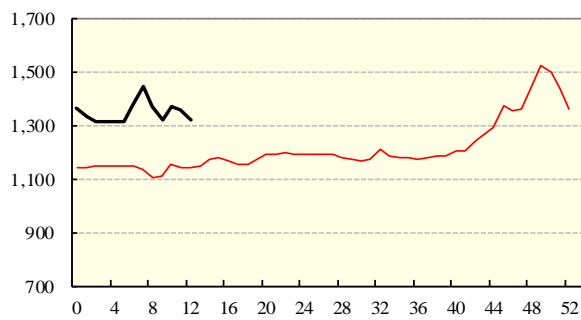
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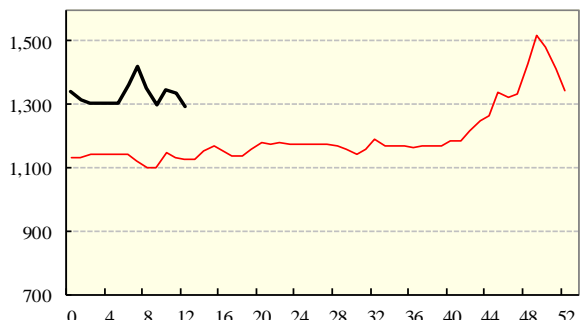
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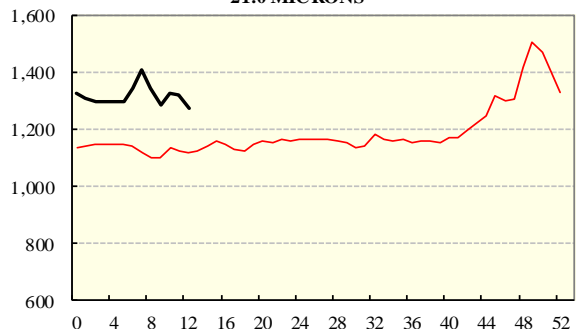
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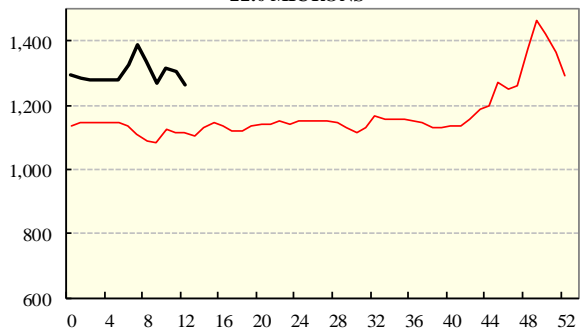
20.0 MICRONS



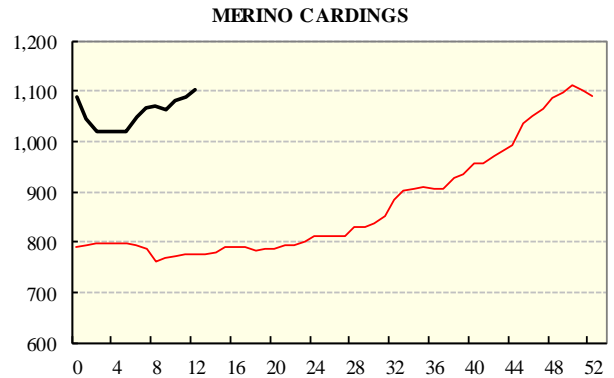
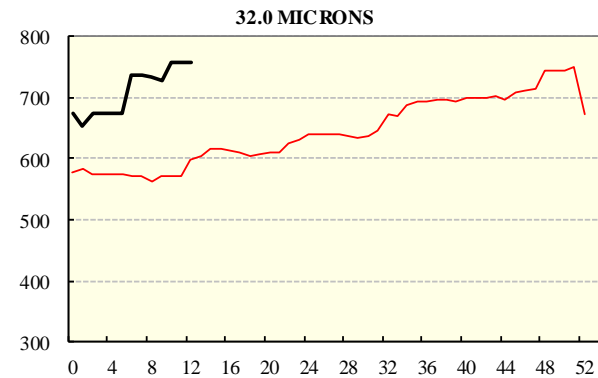
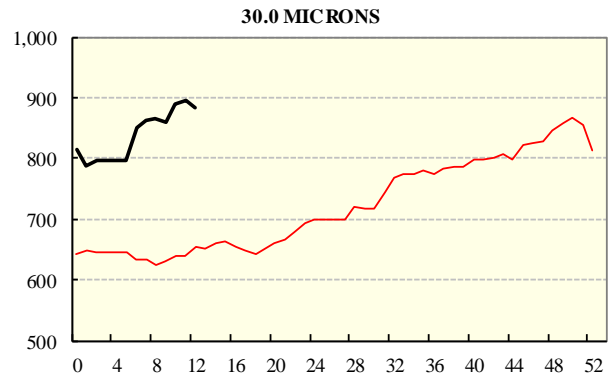
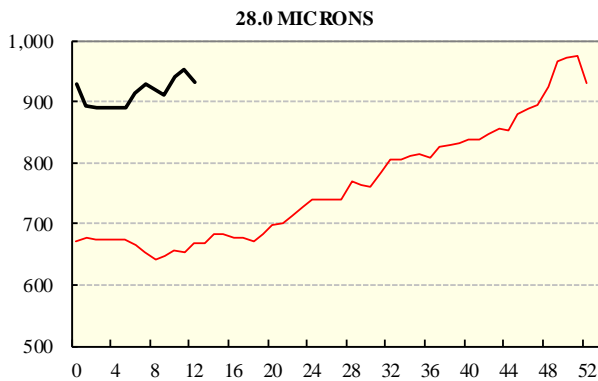
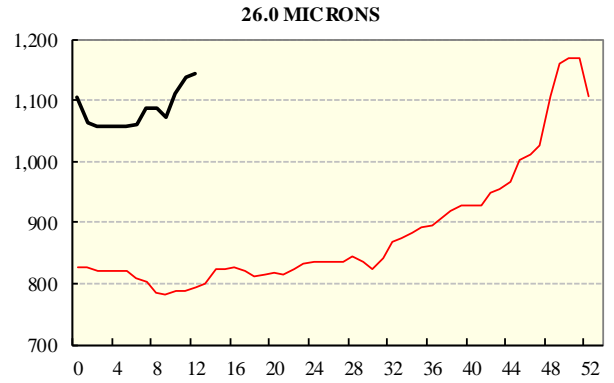
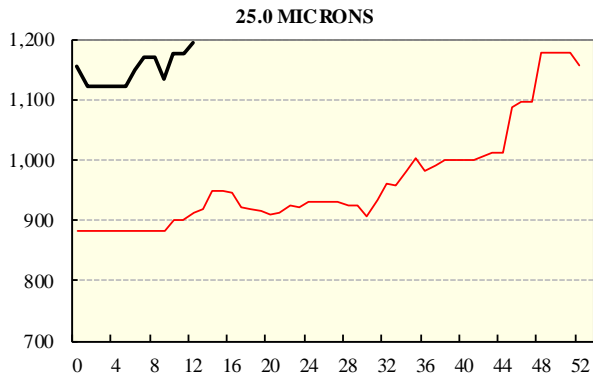
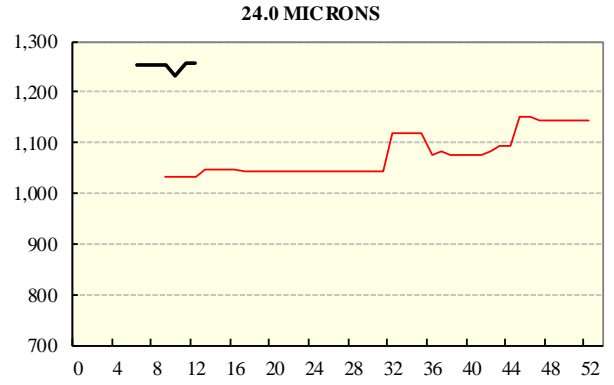
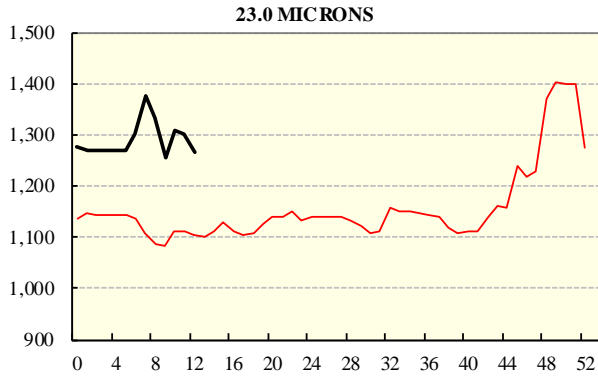
21.0 MICRONS



22.0 MICRONS



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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