

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

Unit 9, 42 - 46 Vella Drive
Sunshine West Vic 3020
Australia
Tel: 03 9311 0103
Fax: 03 9311 0138



Email: awis@woolindustries.org
Web: www.woolindustries.org
ABN: 30 454 304 967
Reg No: A0041776E

AWIS WOOL MARKET REVIEW

Week Ending 2 October 2015 (Week 14)

The AWEX EMI finished at 1217¢, 11¢ lower (-0.9%) in Australian currency and was unchanged, in US currency at sales in Sydney, Melbourne and Fremantle this week.

38,762 bales were on offer nationally, compared with 33,127 bales last sale. 11.5% of the offering was passed in.

Offerings are now down by 6.9% when compared with the same time last year.

The unusual selling pattern was due to Friday being declared a Public Holiday in Melbourne for the AFL Grand Final.

| Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 14) | | | | | | | | | |
|---|-----------|-----------|------------------------------|-----------|----------|---------------------|-------------------|----------------------|--------|
| Centre | Last Sale | | Day-to-Day Changes (Week 14) | | | Sale-to-Sale Change | Closing Indicator | Sale-to-Sale Changes | |
| | Week | Indicator | Tuesday | Wednesday | Thursday | | | US ¢ | Euro ¢ |
| Eastern | 13 | 1228 | -4 | -6 | -1 | -11 (-0.9%) | 1217 | 0 | +2 |
| Northern | 13 | 1248 | No Sale | -5 | -2 | -7 (-0.6%) | 1241 | +3 | +6 |
| Southern | 13 | 1215 | -6 | -7 | No Sale | -13 (-1.1%) | 1202 | -2 | +1 |
| Western | 13 | 1254 | No Sale | -11 | No Sale | -11 (-0.9%) | 1243 | -1 | +3 |

It was a little difficult to know how the wool market would react to the volatility in share markets this week that followed the large write down in Glencore and other share values at the beginning of the week. The EMI eased in US terms on Tuesday, but only by 8¢; and had fully recovered by the close of sales on Thursday. It was down in Australian currency because of the stronger Australian dollar.

Merino prices eased across all types and micron ranges, with the greatest impact around 19.5 microns. The greatest pressure came onto the lesser wool types with poorer specifications. Crossbreds came under pressure this week, particularly from 28 microns up, where the average AWEX MPGs were down by around 2.3%. However, crossbred prices remain at very good levels despite the falls. Oddments were a little mixed.

The US exchange rate was also volatile during the week, as it followed the ups and downs of share markets. It finished 0.57¢ (0.8%) higher to close at 70.55¢ on Thursday.

Buyers for China were dominant, with support from buyers for Europe later in the week.

| 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 | 141¢ | 171¢ | 183¢ | 199¢ | 232¢ |
| South | No 22.0µ MPG | No 22.0µ MPG | No 22.0µ MPG | No 22.0µ MPG | No 22.0µ MPG |

| Market Indicator | Changes From | | | |
|--------------------------|---------------------------|------------------------|----------------------|--|
| | Four Sales Ago Week 09 | Start of the Season | Week 14 Last Year | Season Average to Week 14 Last Year |
| Eastern Market Indicator | -41 (-3.3%) | -9 (-0.7%) | +179 (+17.2%) | +224 (+21.9%) |
| Western Market Indicator | -55 (-4.2%) | -10 (-0.8%) | +163 (+15.1%) | +211 (+19.8%) |

| 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 ¢ | +1 | -12 | -5 | -4 | -9 | -10 | -19 | -11 | -7 | -5 | | |
| Change % | +0.1% | -0.8% | -0.3% | -0.3% | -0.6% | -0.7% | -1.5% | -0.9% | -0.6% | -0.4% | | |
| Since Start of the Season | | | | | | | | | | | | |
| Change ¢ | -42 | -37 | -36 | -9 | +12 | -1 | -41 | -42 | -47 | -31 | | |
| Change % | -2.8% | -2.5% | -2.5% | -0.6% | +0.9% | -0.1% | -3.1% | -3.2% | -3.6% | -2.4% | | |
| Since Same Week Last Year | | | | | | | | | | | | |
| Change ¢ | +176 | +198 | +184 | +185 | +170 | +150 | +113 | +116 | +112 | +120 | | |
| Change % | +13.5% | +15.8% | +14.8% | +15.0% | +14.0% | +12.6% | +9.7% | +10.1% | +9.8% | +10.6% | | |

| 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 ¢ | -15 | -8 | -23 | -21 | -18 | -3 |
| Change % | -1.3% | -0.7% | -2.5% | -2.4% | -2.4% | -0.3% |
| Since Start of the Season | | | | | | |
| Change ¢ | +41 | +73 | +1 | +61 | +72 | +65 |
| Change % | +3.7% | +6.9% | +0.1% | +7.7% | +10.8% | +6.3% |
| Since Same Week Last Year | | | | | | |
| Change ¢ | +217 | +310 | +211 | +191 | +121 | +318 |
| Change % | +22.9% | +37.7% | +30.9% | +28.9% | +19.7% | +40.8% |

Average Merino Cardings Price Guide

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AWIS WOOL MARKET REVIEW

Week Ending 2 October 2015 (Week 14)

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.

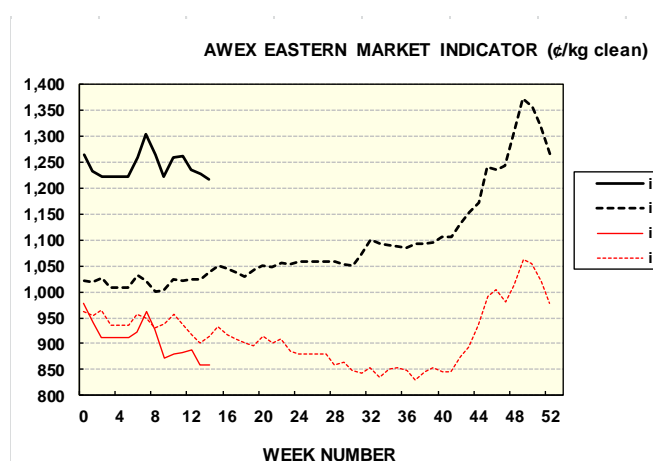
| Details of this Week's Offering and the Comparison with the Previous Sale's Offering | | | | | | |
|--|---------------|---------------|--------------|-----------------------|-------------|---------------|
| Centre | Last Sale | This Sale | | | | |
| | Offering | Offering | Passed-In | Withdrawn Before Sale | Re-Offered | Bales Sold |
| North | 10,849 | 11,300 | 8.3% | 3.7% | 3.3% | 10,361 |
| South | 16,134 | 21,014 | 10.2% | 3.3% | 5.8% | 18,879 |
| West | 6,144 | 6,448 | 21.3% | 4.7% | 14.1% | 5,076 |
| Australia | 33,127 | 38,762 | 11.5% | 3.6% | 6.4% | 34,316 |

| Actual and % Changes in the Progressive Offerings from Last Year | |
|--|--------------|
| -3,149 | -2.3% |
| -16,877 | -7.9% |
| -5,967 | -7.4% |
| -25,993 | -6.0% |

| Next Sale Offerings and Year-on-Year Differences | | | | |
|--|---------------|---------------|---------------|---------------|
| Centre | Week 15 | Week 16 | Week 17 | Differences |
| North | 9,851 | 11,450 | 10,000 | -11.9% |
| South | 24,208 | 24,660 | 23,500 | +6.1% |
| West | 8,878 | 8,200 | 8,400 | -14.9% |
| New Zealand | 2,500 | | 2,300 | |
| Australia | 42,937 | 44,310 | 41,900 | -3.4% |
| Differences | +5.0% | -9.0% | -4.9% | |

| 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 | 69.98 | +0.15 | +0.07 | -0.71 | +0.61 | +0.45 | +0.57 (+0.8%) | 70.55 | 69.98 | 76.49 |
| Euro | 62.53 | +0.24 | 0.00 | -1.08 | +0.67 | +0.95 | +0.78 (+1.2%) | 63.31 | 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 | 1245 |
| Last Year | 1102 |
| 2013/14 | 1070 |
| 2012/13 | 1035 |
| 2011/12 | 1198 |

| SEASON AVERAGES | | |
|-----------------|-----------|------|
| Region | This Year | Diff |
| North | 1,266 | 142 |
| South | 1,231 | 144 |
| West | 1,278 | 149 |

| THIS YEAR'S EMI | |
|-----------------|-------|
| This Week | 1217 |
| First Week | 1231 |
| Low (1/05/03) | 1,217 |
| High (27/07/03) | 1304 |

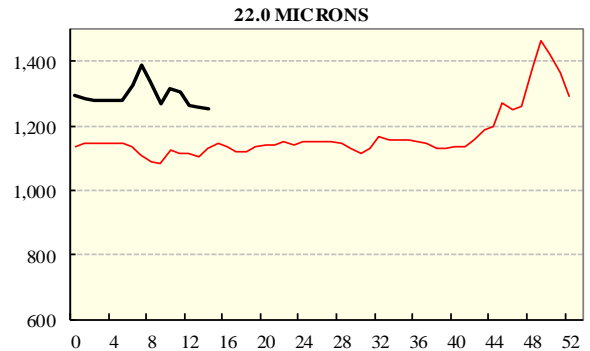
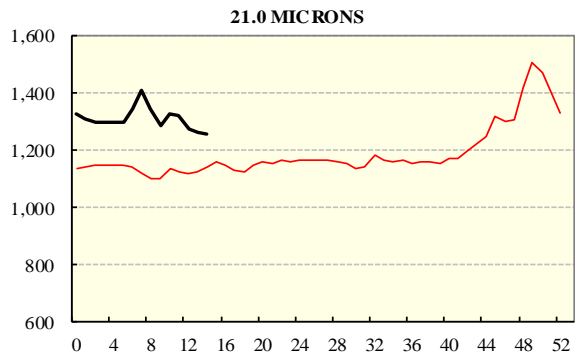
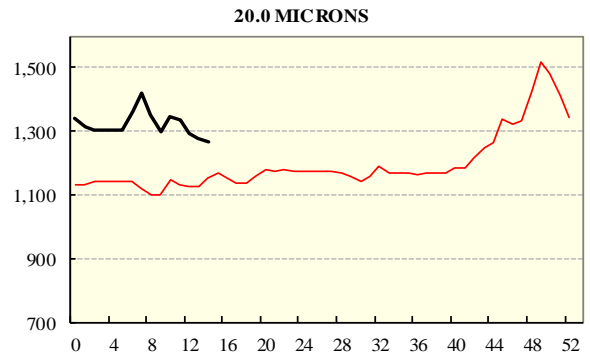
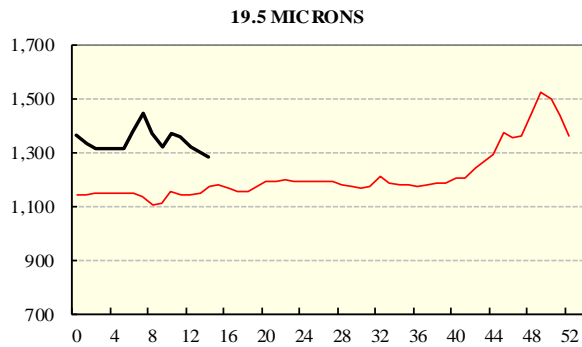
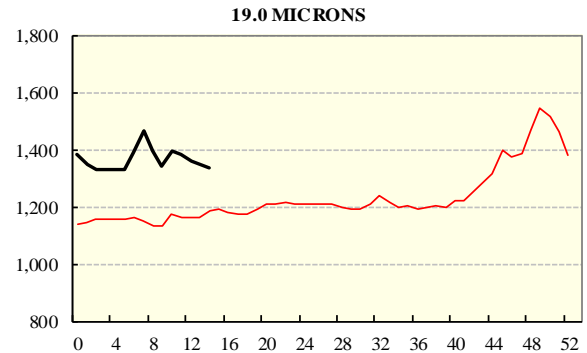
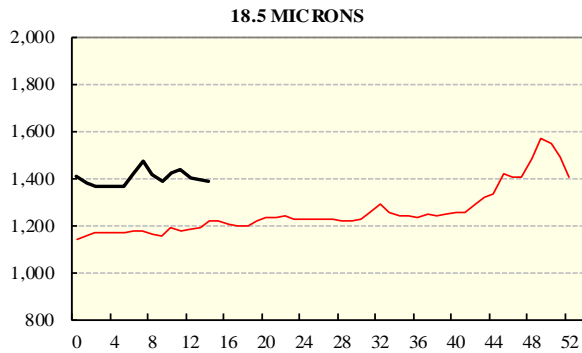
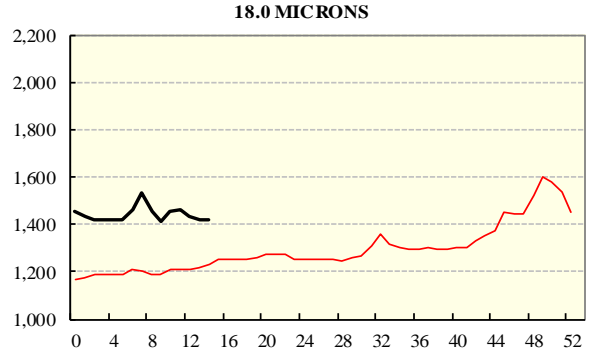
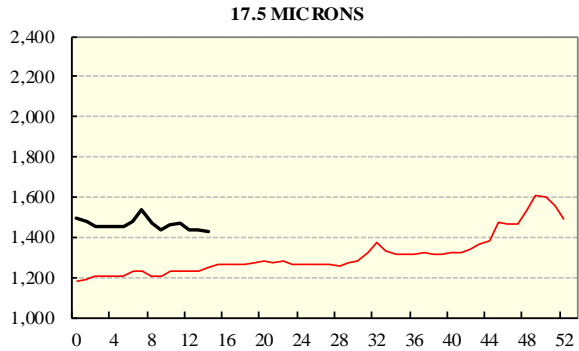
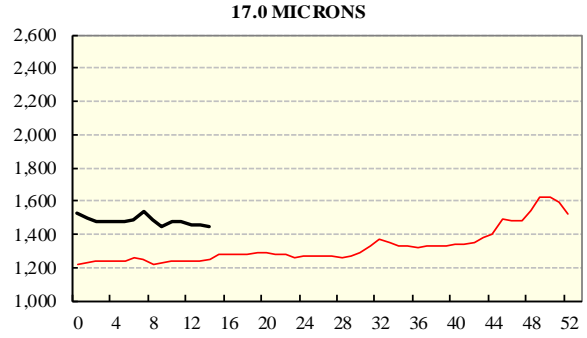
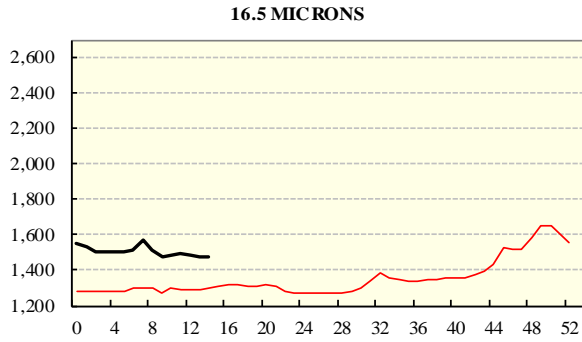
| COMPARED WITH WEEK 1 | | |
|----------------------|-----------|------|
| Region | This Week | Diff |
| North | 1241 | -9 |
| South | 1202 | -17 |
| West (Wk) | 1243 | -8 |

| BALES OFFERED | |
|---------------------|---------|
| This Year | 406,764 |
| Last Year | 432,757 |
| Difference | -25,993 |
| % Diff | -6.0% |
| FIRST OFFERED BALES | |
| Difference | -4.3% |
| % of Offering | 94.8% |

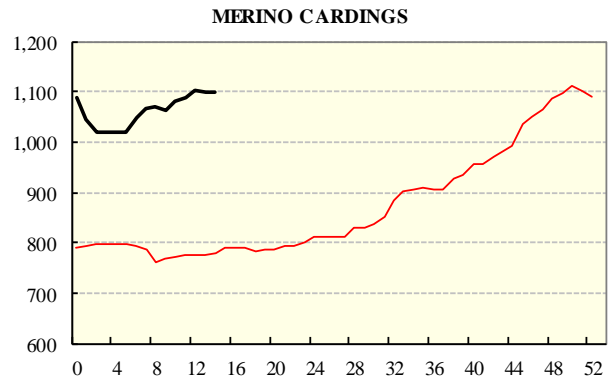
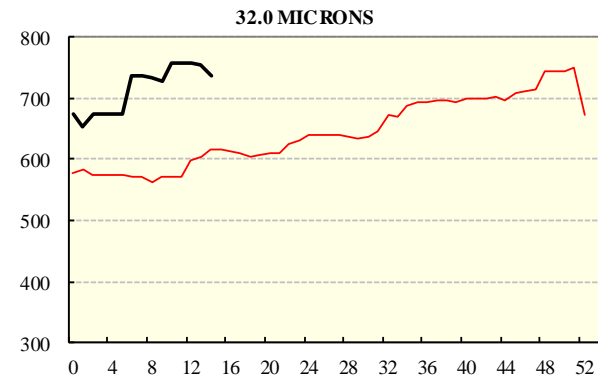
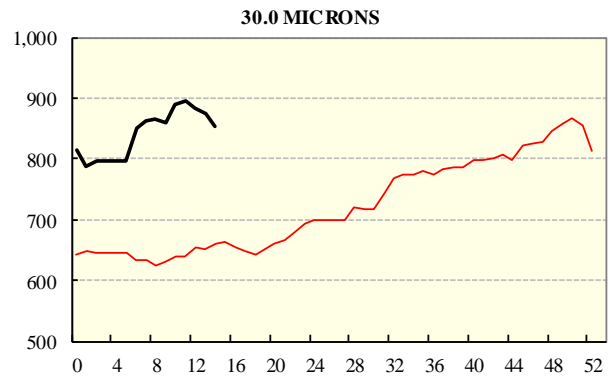
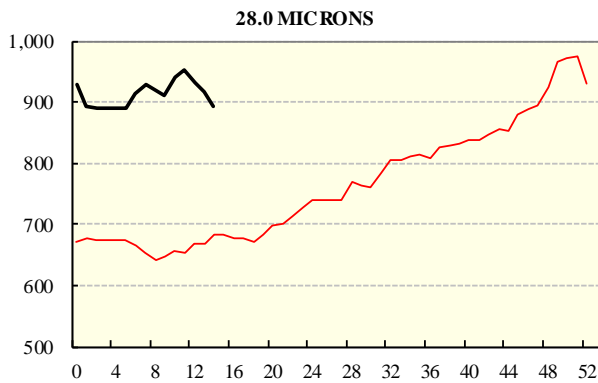
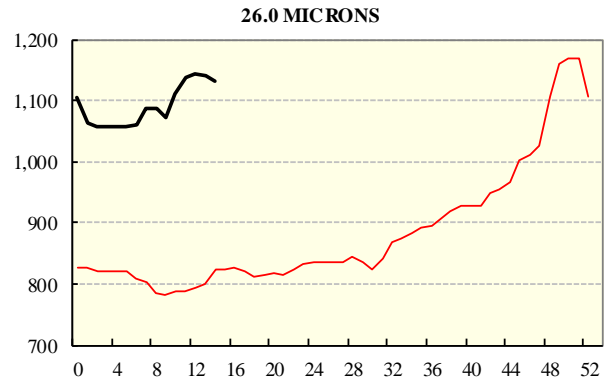
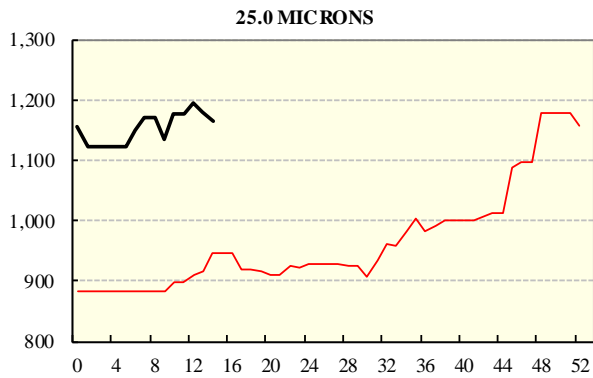
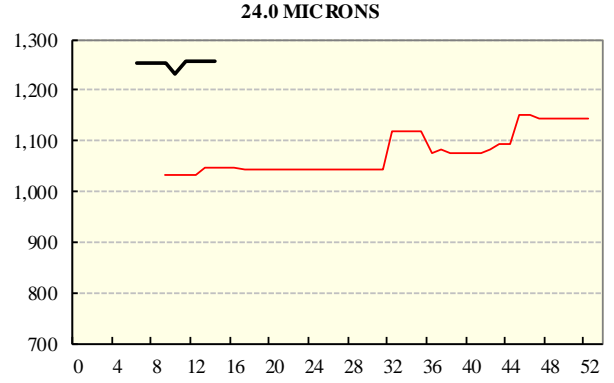
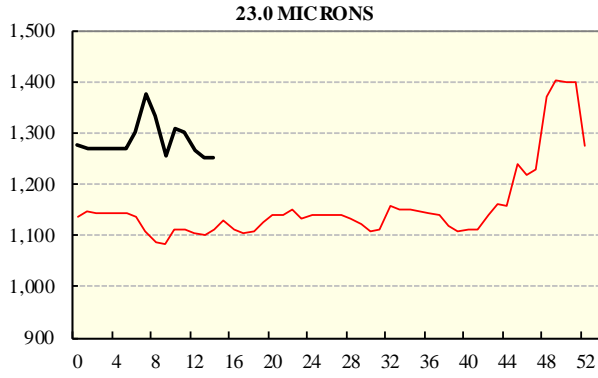
| REGION BALES | | |
|---------------------|---------|-------|
| This Sale: | | |
| North | 60 | |
| South | 11,300 | |
| West | 21,014 | |
| Progressive Totals: | | |
| North | 133,840 | -2.3% |
| South | 198,053 | -7.9% |
| West | 74,871 | -7.4% |

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)

