

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 23 October 2015 (Week 17)

The AWEX EMI finished 36¢ higher (+3.1%) in Australian currency and 13¢ higher (+1.5%) in US currency at sales in Sydney, Melbourne and Fremantle this week.

37,139 bales were on offer nationally, compared with 40,762 bales last sale. 3.0% of the offering was passed in.

The New Zealand Merino Company offered 2,415 bales in Melbourne on Tuesday, of which 31.2% were passed in.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 17)									
Centre	Last Sale		Day-to-Day Changes (Week 17)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	16	1169	No Sale	+12	+24	36 (3.1%)	1205	+13	+21
Northern	16	1198	No Sale	+9	+29	38 (3.2%)	1236	+13	+21
Southern	16	1151	No Sale	+14	+20	34 (3.0%)	1185	+12	+19
Western	16	1205	No Sale	+16	+26	42 (3.5%)	1247	+16	+24

The market had its first increase since Week 11, with good rises across all micron ranges and wool types on Wednesday; and even stronger rises on Thursday. Trade reports indicate that there was strong widespread competition.

Merino average MPGs rose by 3 to 4% across all micron ranges, other than at 16.5 microns where the rise was 2.0%. There was improved demand for Merino fleece types that was reflected in their lowest pass-in rate for the season (3.4%). Prices for Merino skirtings moved with the fleece types.

Crossbred prices also showed some recovery after three weeks of falls when most average AWEX MPGs rose by 1 to 2%. Oddments also moved up, with the average AWEX Merino Cardings Price Guide up by 1.0%.

The US exchange rate finished 1.15¢ (-1.6%) lower to close at 72.03¢ on Thursday. This followed three weeks of rises. Most of the fall occurred on Thursday when the Commonwealth Bank lifted the interest rate on home loans by 0.15%, prompting speculation that the Reserve Bank will ease the official interest rate when it meets on 3 November.

Buyers for China were dominant, with support from buyers for Europe, Korea and India.

Looking ahead, the current expected offerings for the next three weeks are all down on last season (see next page).

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	159¢	191¢	199¢	207¢	228¢
South	137¢	162¢	175¢	183¢	190¢

Market Indicator	Changes From			
	Four Sales Ago Week 13	Start of the Season	Week 17 Last Year	Season Average to Week 17 Last Year
Eastern Market Indicator	-23 (-1.9%)	-21 (-1.7%)	+169 (+16.3%)	+207 (+20.2%)
Western Market Indicator	-7 (-0.6%)	-6 (-0.5%)	+180 (+16.9%)	+198 (+18.5%)

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 ¢	+29	+46	+47	+42	+51	+48	+53	+51	+52	+43	+42	
Change %	+2.0%	+3.3%	+3.4%	+3.0%	+3.8%	+3.7%	+4.3%	+4.1%	+4.3%	+3.6%	+3.5%	
Since Start of the Season												
Change ¢	-57	-37	-26	+2	+18	-4	-24	-30	-37	-35	-33	
Change %	-3.8%	-2.5%	-1.8%	+0.1%	+1.3%	-0.3%	-1.8%	-2.3%	-2.8%	-2.7%	-2.6%	
Since Same Week Last Year												
Change ¢	+146	+168	+179	+176	+191	+160	+146	+141	+134	+125	+134	
Change %	+11.1%	+13.1%	+14.2%	+14.0%	+15.9%	+13.6%	+12.7%	+12.4%	+11.8%	+11.1%	+12.1%	

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 ¢	+13	+3	+22	+22	+10	+11
Change %	+1.2%	+0.3%	+2.7%	+2.8%	+1.5%	+1.0%
Since Start of the Season						
Change ¢	-32	-51	-44	+11	+29	+31
Change %	-2.8%	-4.8%	-4.9%	+1.4%	+4.4%	+3.0%
Since Same Week Last Year						
Change ¢	+171	+187	+172	+155	+82	+273
Change %	+18.6%	+22.7%	+25.4%	+24.0%	+13.4%	+34.6%

Average Merino Cardings Price Guide

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AWIS WOOL MARKET REVIEW Week Ending 23 October 2015 (Week 17)

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.

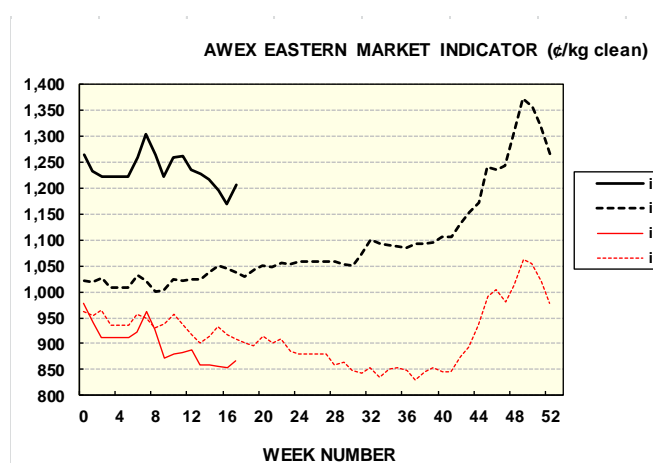
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re-Offered	Bales Sold
North	10,480	8,198	2.7%	5.2%	4.2%	7,973
South	22,179	20,022	3.6%	3.5%	3.7%	19,300
West	8,103	8,919	1.8%	8.9%	7.9%	8,754
Australia	40,762	37,139	3.0%	5.2%	4.8%	36,027

Actual and % Changes in the Progressive Offerings from Last Year	
-10,535	-6.1%
-22,749	-8.0%
-10,723	-9.7%
-44,007	-7.8%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 18	Week 19	Week 20	Differences
North	10,881	11,950	9,700	-10.3%
South	24,954	19,793	23,800	-4.8%
West	8,673	8,400	8,300	+6.9%
New Zealand	2,200			
Australia	44,508	40,143	41,800	-4.2%
Differences	-1.4%	-3.4%	-7.8%	

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	73.18	-0.38	-0.05	-0.05	+0.04	-0.71	-1.15 (-1.6%)	72.03	69.98	76.49
Euro	63.74	+0.23	+0.05	+0.14	-0.13	-0.49	-0.20 (-0.3%)	63.54	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 - August
	August 2015	July - August This Season	July - August 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	1233
Last Year	1102
2013/14	1070
2012/13	1035
2011/12	1198

SEASON AVERAGES		
Region	This Year	Diff
North	1,256	132
South	1,219	132
West	1,266	137

THIS YEAR'S EMI	
This Week	1205
First Week	1231
Low (14/03/0)	1,169
High (27/07/0)	1304

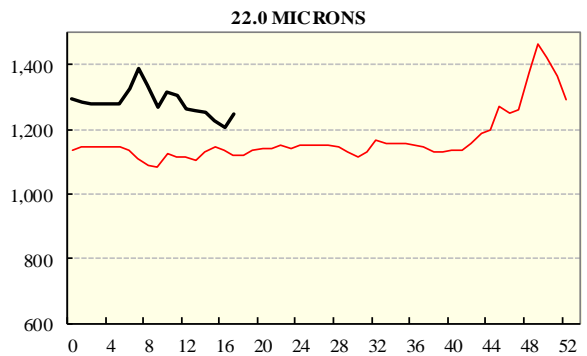
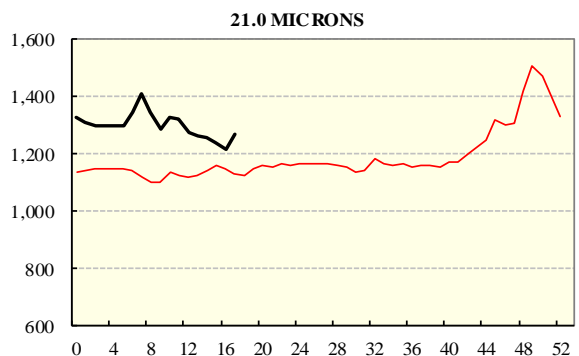
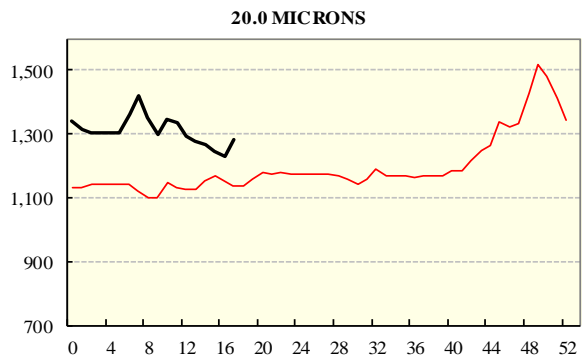
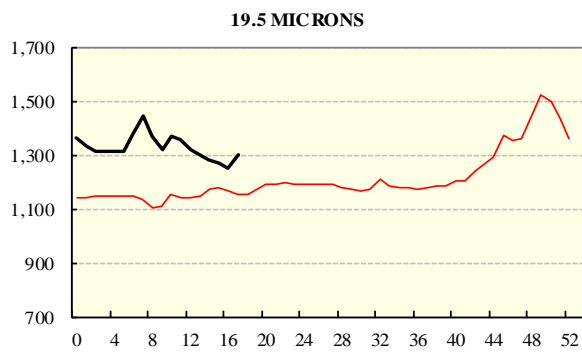
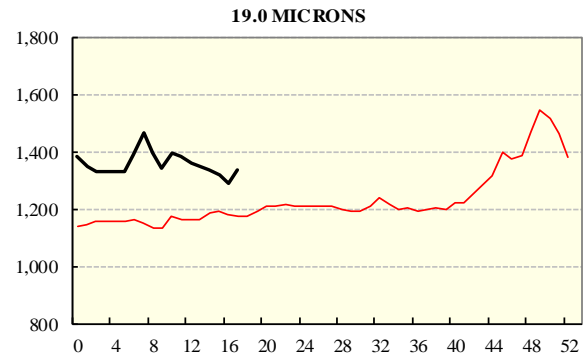
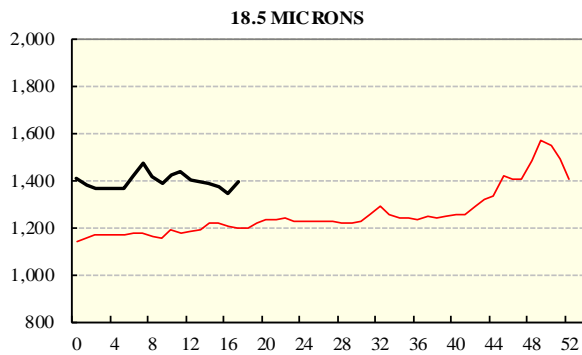
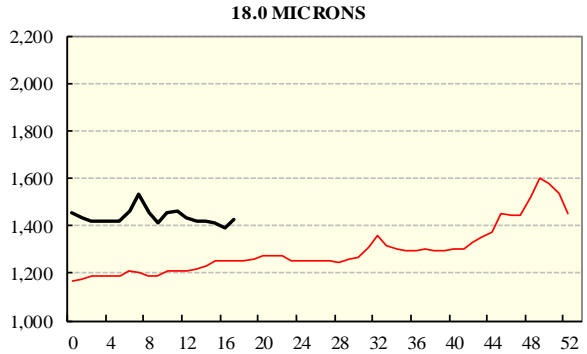
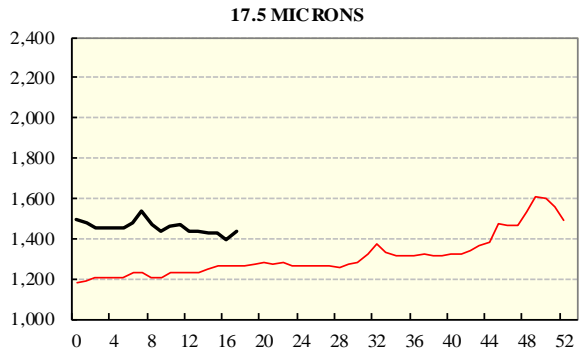
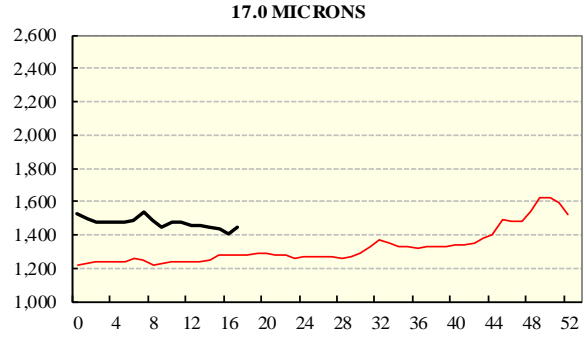
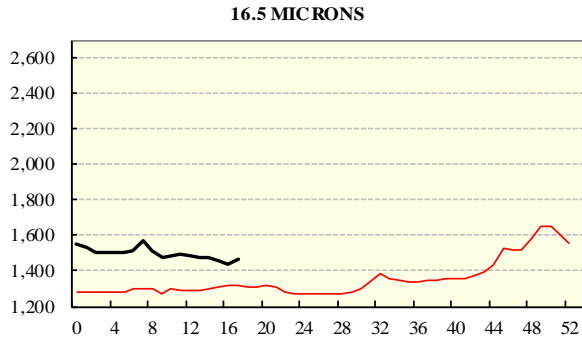
COMPARED WITH WEEK 1		
Region	This Week	Diff
North	1236	-14
South	1185	-34
West (Wk)	1247	-4

BALES OFFERED	
This Year	522,412
Last Year	566,419
Difference	-44,007
% Diff	-7.8%
FIRST OFFERED BALES	
Difference	-6.1%
% of Offering	95.1%

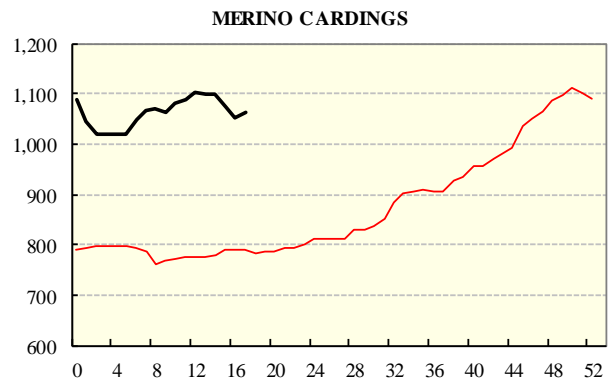
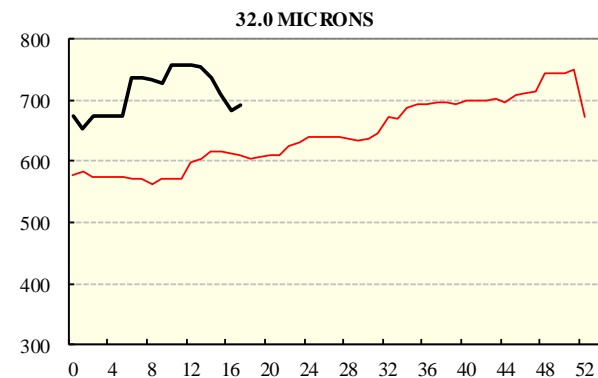
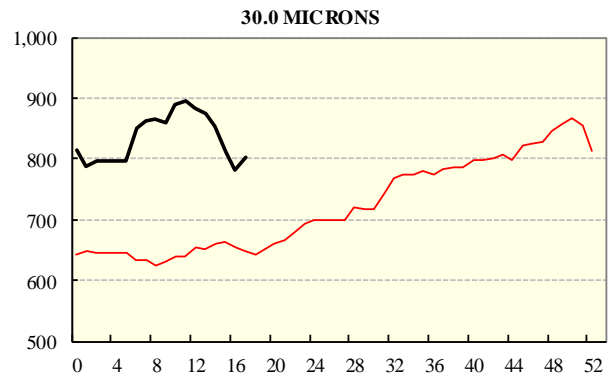
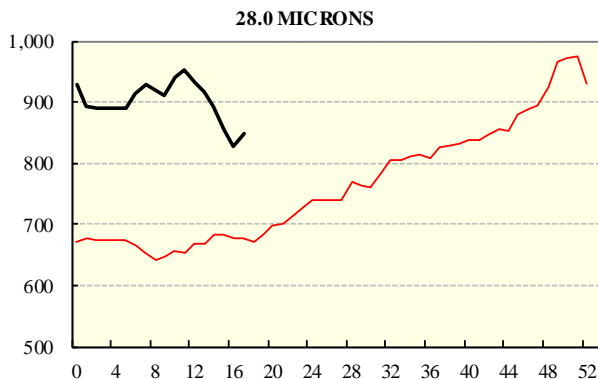
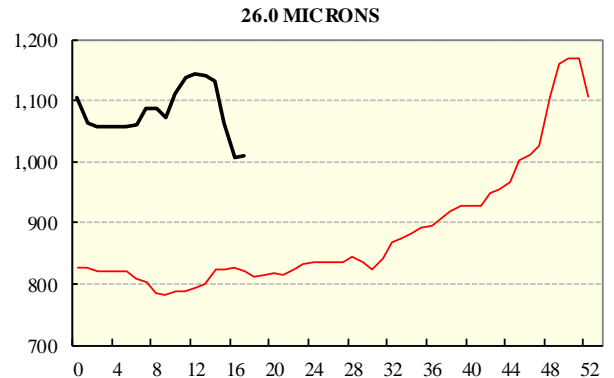
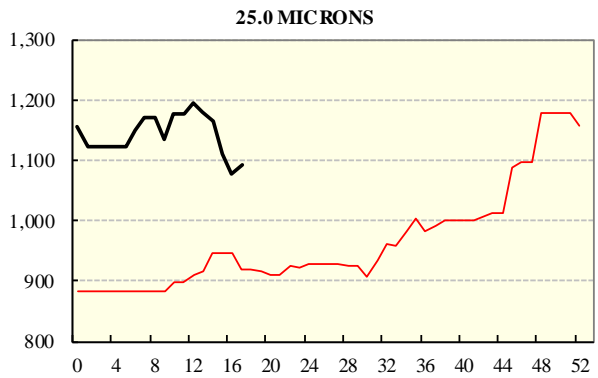
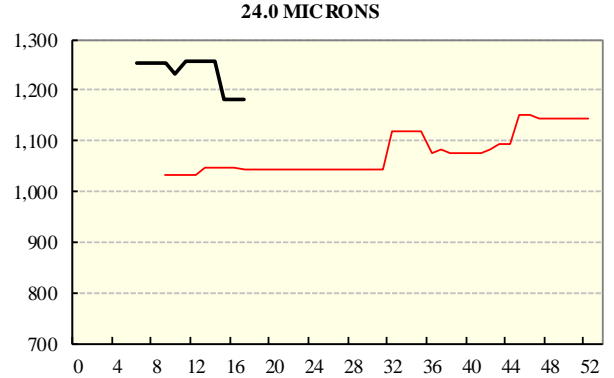
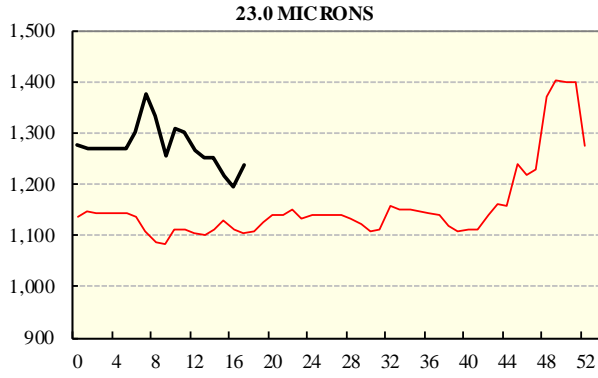
REGION BALES		
This Sale:		
North	61	
South	8,198	
West	20,022	
Progressive Totals:		Diff
North	161,988	-6.1%
South	260,364	-8.0%
West	100,060	-9.7%

AVERAGE AWEX MICRON PRICE GUIDES

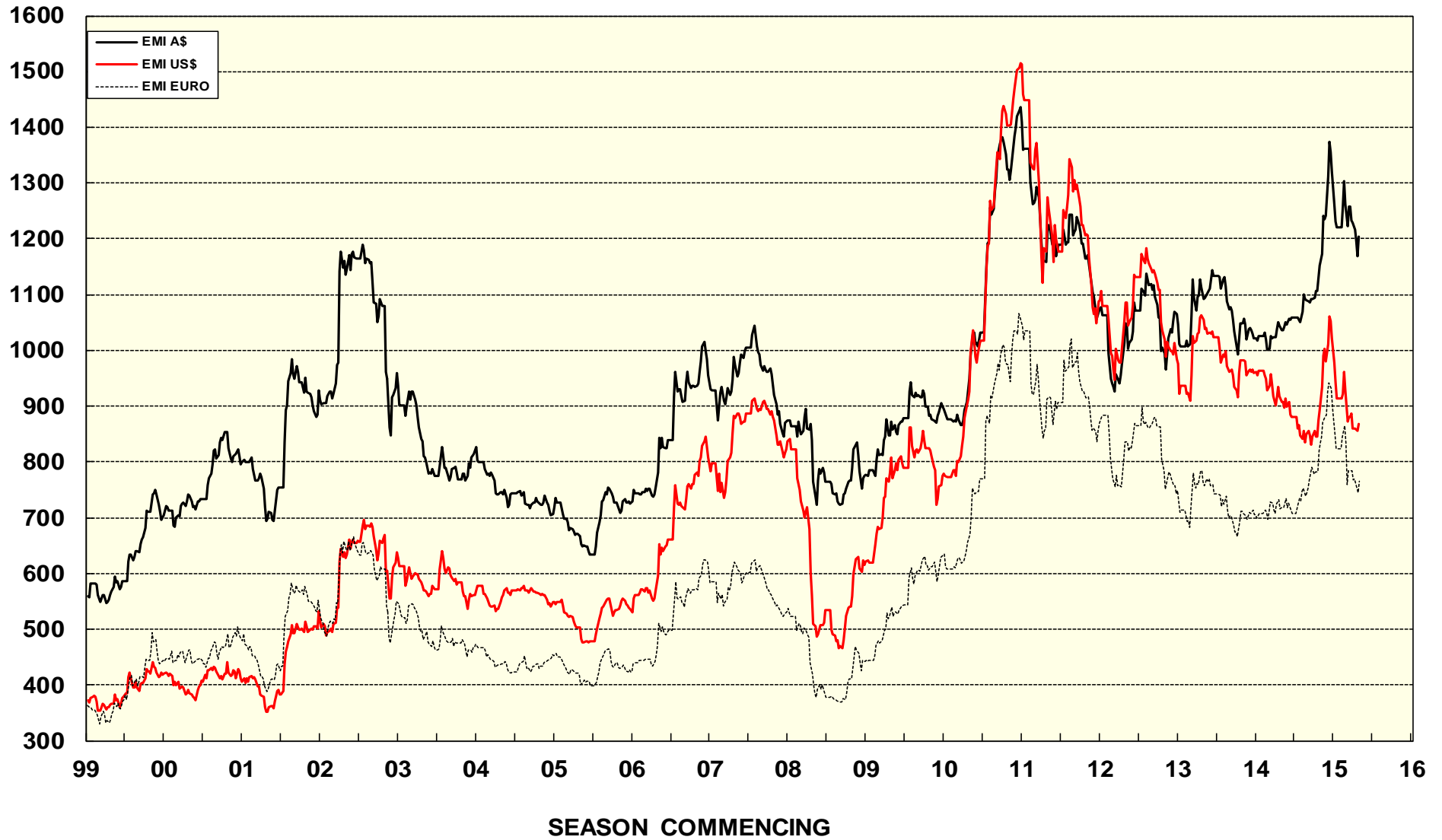
2015/16(black graph line) and 2014/15 (red graph line)



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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For further information

Peter Morgan

03 9311 0103