

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW

Week Ending 9 October 2015 (Week 15)

The AWEX EMI finished at 1195¢, 22¢ lower (-1.8%) in Australian currency and 2¢ lower (-0.2%) in US currency at sales in Sydney, Melbourne and Fremantle this week.

37,747 bales were on offer nationally, compared with 38,762 bales last sale. 11.1% of the offering was passed in.

The New Zealand Merino Company offered 2,305 bales in Melbourne on Tuesday, of which 33.2% were passed in.

Next week's expected offering of 46,000 bales is the largest since Week 01.

| Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 15) | | | | | | | | | |
|---------------------------------------------------------------------------|-----------|-----------|------------------------------|-----------|----------|---------------------|-------------------|----------------------|--------|
| Centre | Last Sale | | Day-to-Day Changes (Week 15) | | | Sale-to-Sale Change | Closing Indicator | Sale-to-Sale Changes | |
| | Week | Indicator | Tuesday | Wednesday | Thursday | | | US ¢ | Euro ¢ |
| Eastern | 14 | 1217 | No Sale | -16 | -6 | -22 (-1.8%) | 1195 | -2 | -9 |
| Northern | 14 | 1241 | No Sale | -11 | -7 | -18 (-1.5%) | 1223 | +1 | -7 |
| Southern | 14 | 1202 | No Sale | -19 | -4 | -23 (-1.9%) | 1179 | -2 | -10 |
| Western | 14 | 1243 | No Sale | -16 | No Sale | -16 (-1.3%) | 1227 | +3 | -5 |

The market continued the downward drift that has been in place since Week 11, when the EMI was 1260¢. However, most of the this week's fall was driven by the rise in the US exchange rate.

The market followed a similar pattern to the previous week, with softer support for Merino fleece types, as can be seen in the pass-in rates of 14.1% for Merino fleece and 4.8% for Merino skirtings. Falls in the average AWEX MPGs were similar across all Merino micron ranges.

Crossbred prices eased by a greater amount than the Merino prices for the second week in a row. Oddments also eased, with the average AWEX Merino Cardings Indicator falling by 2.2%.

The US exchange rate finished 1.18¢ (1.7%) higher to close at 71.73¢ on Thursday. Financial analysts attributed the rise to the Reserve Bank of Australia leaving the official cash rate unchanged on Tuesday and to a reversal of earlier speculation that the US Federal Reserve is about to increase the official US interest rate. They now consider that this is unlikely, at least in the immediate future.

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

| 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 | 168¢ | 199¢ | 210¢ | 212¢ | 243¢ |
| South | 125¢ | 165¢ | 177¢ | 200¢ | 211¢ |

| Market Indicator | Changes From | | | |
|--------------------------|------------------------|---------------------|-------------------|-------------------------------------|
| | Four Sales Ago Week 11 | Start of the Season | Week 15 Last Year | Season Average to Week 15 Last Year |
| Eastern Market Indicator | -65 (-5.2%) | -31 (-2.5%) | +144 (+13.7%) | +218 (+21.3%) |
| Western Market Indicator | -85 (-6.5%) | -26 (-2.1%) | +142 (+13.1%) | +205 (+19.2%) |

| 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 ¢ | -20 | -12 | -6 | -6 | -15 | -22 | -12 | -21 | -15 | -26 | | |
| Change % | -1.4% | -0.8% | -0.4% | -0.4% | -1.1% | -1.6% | -0.9% | -1.7% | -1.2% | -2.1% | | |
| Since Start of the Season | | | | | | | | | | | | |
| Change ¢ | -62 | -49 | -42 | -15 | -3 | -23 | -53 | -63 | -62 | -57 | -53 | |
| Change % | -4.1% | -3.3% | -2.9% | -1.1% | -0.2% | -1.7% | -4.0% | -4.8% | -4.8% | -4.4% | -4.2% | |
| Since Same Week Last Year | | | | | | | | | | | | |
| Change ¢ | +144 | +160 | +158 | +159 | +150 | +124 | +92 | +78 | +82 | +79 | +88 | |
| Change % | +11.0% | +12.5% | +12.5% | +12.7% | +12.3% | +10.4% | +7.8% | +6.7% | +7.1% | +6.9% | +7.8% | |

| 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 ¢ | -53 | -71 | -39 | -42 | -25 | -24 |
| Change % | -4.6% | -6.3% | -4.4% | -4.9% | -3.4% | -2.2% |
| Since Start of the Season | | | | | | |
| Change ¢ | -12 | +2 | -38 | +19 | +47 | +41 |
| Change % | -1.1% | +0.2% | -4.3% | +2.4% | +7.1% | +4.0% |
| Since Same Week Last Year | | | | | | |
| Change ¢ | +164 | +238 | +172 | +148 | +94 | +283 |
| Change % | +17.3% | +28.9% | +25.2% | +22.4% | +15.2% | +35.8% |

Average Merino Cardings Price Guide

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AWIS WOOL MARKET REVIEW

Week Ending 9 October 2015 (Week 15)

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 August ABS export data.

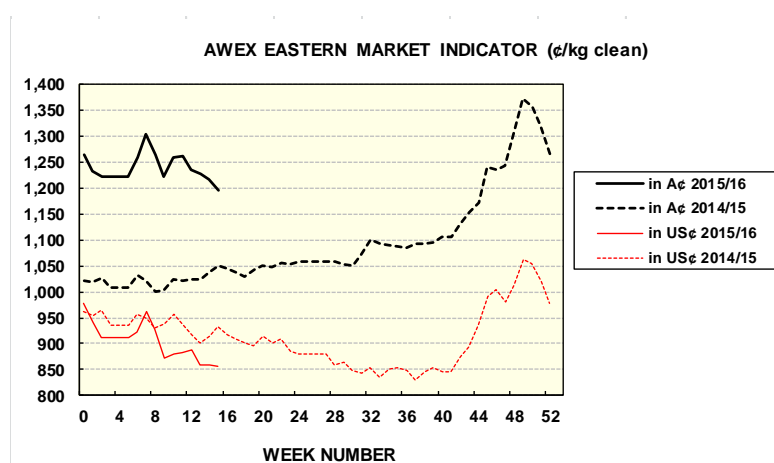
| Details of this Week's Offering and the Comparison with the Previous Sale's Offering | | | | | | |
|--------------------------------------------------------------------------------------|---------------|---------------|--------------|-----------------------|-------------|---------------|
| Centre | Last Sale | This Sale | | | | |
| | Offering | Offering | Passed-In | Withdrawn Before Sale | Re-Offered | Bales Sold |
| North | 11,300 | 9,470 | 7.0% | 2.7% | 4.0% | 8,808 |
| South | 21,014 | 20,110 | 10.3% | 5.1% | 3.1% | 18,035 |
| West | 6,448 | 8,167 | 17.9% | 8.7% | 5.0% | 6,705 |
| Australia | 38,762 | 37,747 | 11.1% | 5.3% | 3.7% | 33,548 |

| Actual and % Changes in the Progressive Offerings from Last Year | |
|------------------------------------------------------------------|--------------|
| -3,762 | -2.6% |
| -17,280 | -7.3% |
| -8,097 | -8.9% |
| -29,139 | -6.2% |

| Next Sale Offerings and Year-on-Year Differences | | | | |
|--------------------------------------------------|---------------|---------------|---------------|--------------|
| Centre | Week 16 | Week 17 | Week 18 | Differences |
| North | 10,973 | 10,700 | 11,250 | -12.3% |
| South | 24,695 | 23,057 | 26,910 | +2.5% |
| West | 10,364 | 9,450 | 9,400 | +6.2% |
| New Zealand | | 2,500 | 2,000 | |
| Australia | 46,032 | 43,207 | 47,560 | -0.8% |
| Differences | -5.5% | -1.9% | +5.3% | |

| 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 | 70.55 | -0.17 | Public | +0.92 | +0.48 | -0.05 | +1.18 (+1.7%) | 71.73 | 69.98 | 76.49 |
| Euro | 63.31 | -0.36 | Holiday | +0.82 | -0.06 | 0.00 | +0.40 (+0.6%) | 63.71 | 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 | 73.7% | 74.4% | 69.3% | +10.8% |
| India | 7.9% | 9.4% | 8.8% | +10.9% |
| Italy | 5.4% | 5.2% | 4.8% | +11.8% |
| Czech Republic | 5.6% | 3.5% | 6.6% | -45.2% |
| Malaysia | 0.8% | 1.3% | 1.8% | -25.4% |
| Korea | 1.8% | 1.6% | 3.2% | -49.5% |
| Taiwan | 1.0% | 0.9% | 1.0% | -13.8% |
| Egypt | 0.9% | 1.5% | 1.0% | +8.0% |
| Change all Countries | | | | +3.2% |



| AVERAGE EMI | |
|-------------|------|
| This Year | 1241 |
| Last Year | 1102 |
| 2013/14 | 1070 |
| 2012/13 | 1035 |
| 2011/12 | 1198 |

| SEASON AVERAGES | | |
|-----------------|-----------|------|
| Region | This Year | Diff |
| North | 1,263 | 139 |
| South | 1,227 | 140 |
| West | 1,273 | 144 |

| THIS YEAR'S EMI | |
|-----------------|-------|
| This Week | 1195 |
| First Week | 1231 |
| Low (9/04/03) | 1,195 |
| High (27/07/03) | 1304 |

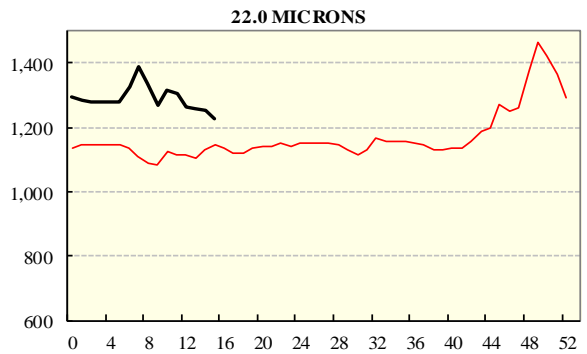
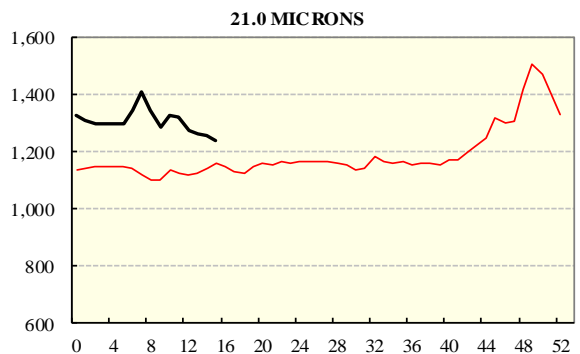
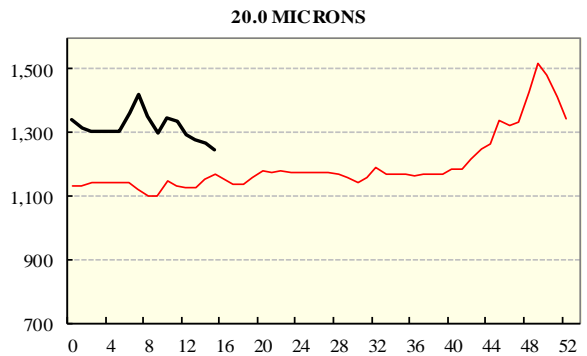
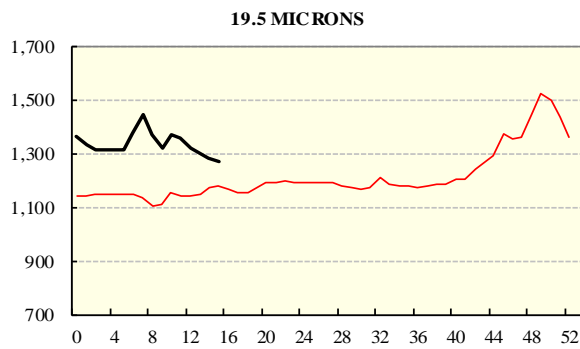
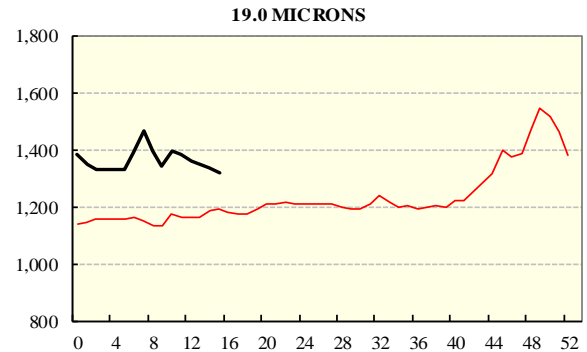
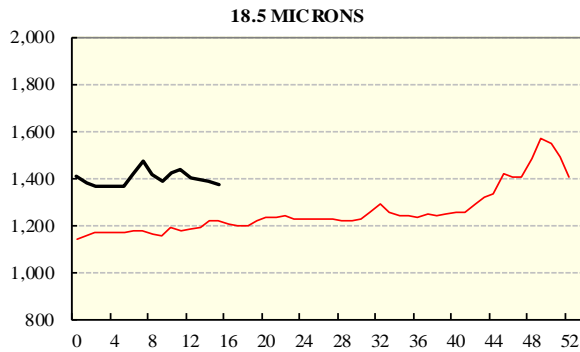
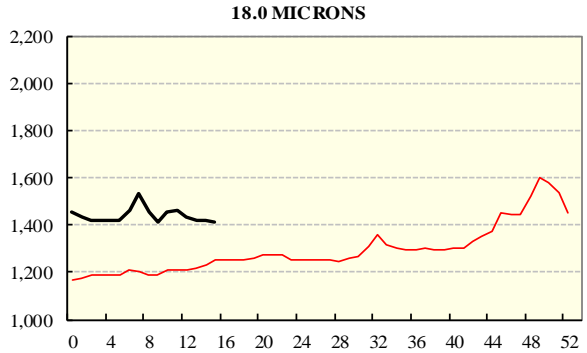
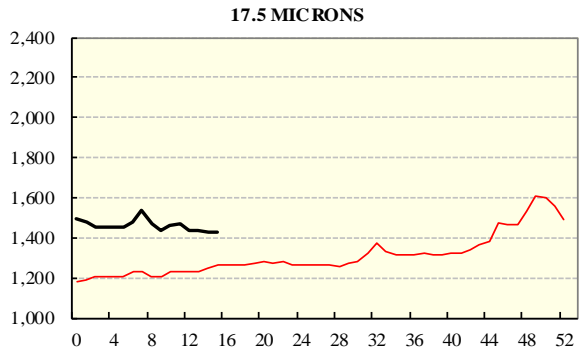
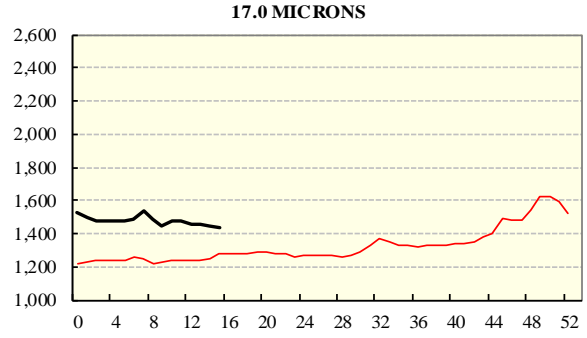
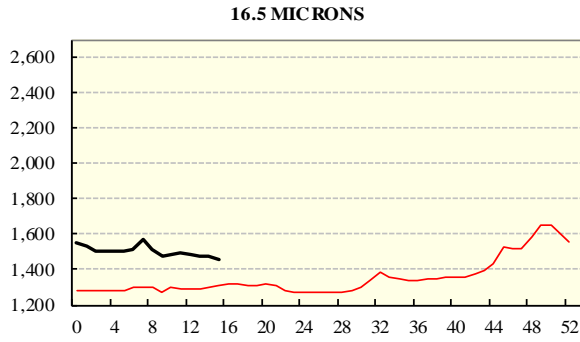
| COMPARED WITH WEEK 1 | | |
|----------------------|-----------|------|
| Region | This Week | Diff |
| North | 1223 | -27 |
| South | 1179 | -40 |
| West (Wk) | 1227 | -24 |

| BALES OFFERED | |
|---------------------|---------|
| This Year | 444,511 |
| Last Year | 473,650 |
| Difference | -29,139 |
| % Diff | -6.2% |
| FIRST OFFERED BALES | |
| Difference | -4.3% |
| % of Offering | 95% |

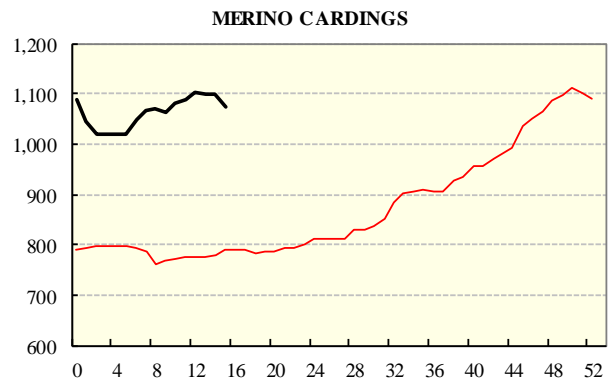
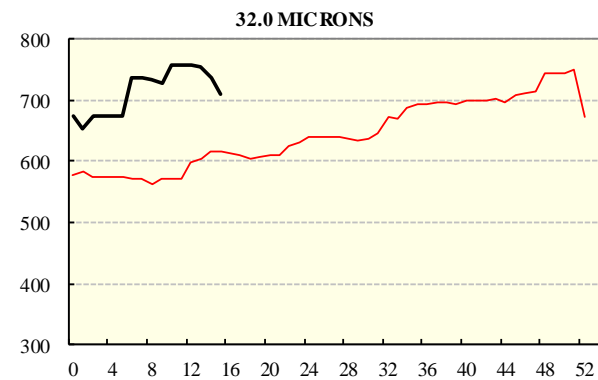
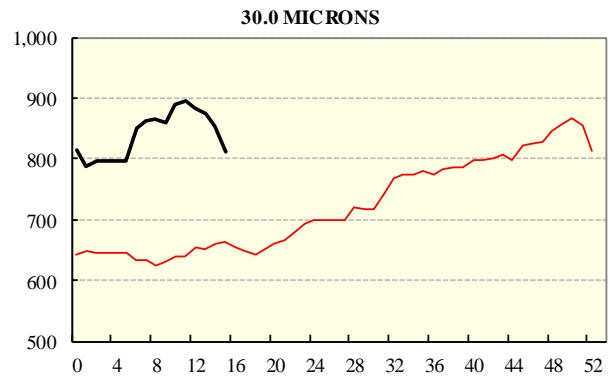
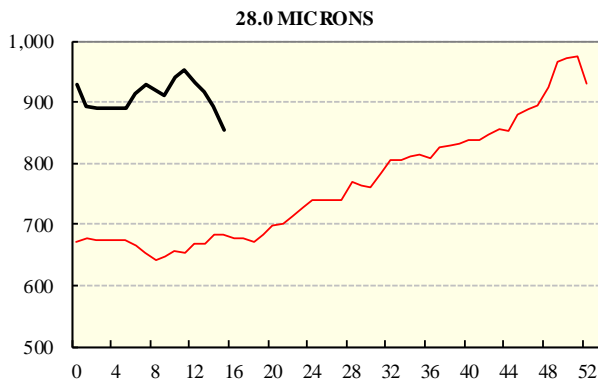
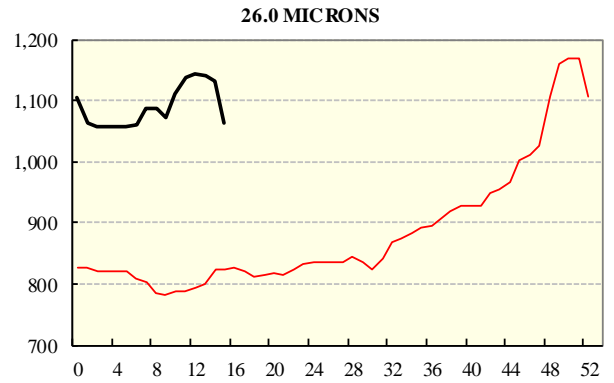
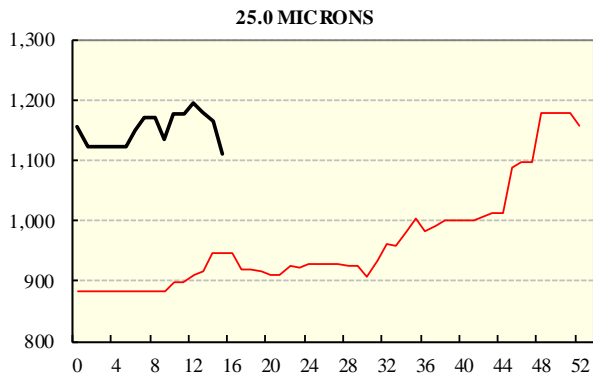
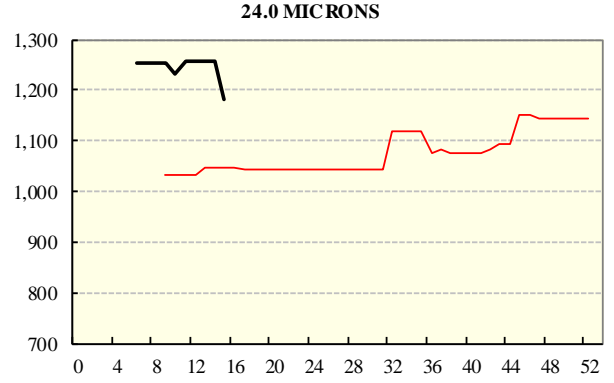
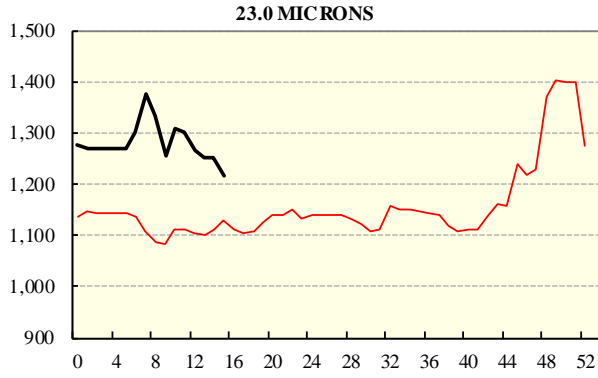
| REGION BALES | | |
|---------------------|---------|-------|
| This Sale: | | |
| North | 61 | |
| South | 9,470 | |
| West | 20,110 | |
| Progressive Totals: | | |
| North | 143,310 | -2.6% |
| South | 218,163 | -7.3% |
| West | 83,038 | -8.9% |

AVERAGE AWEX MICRON PRICE GUIDES

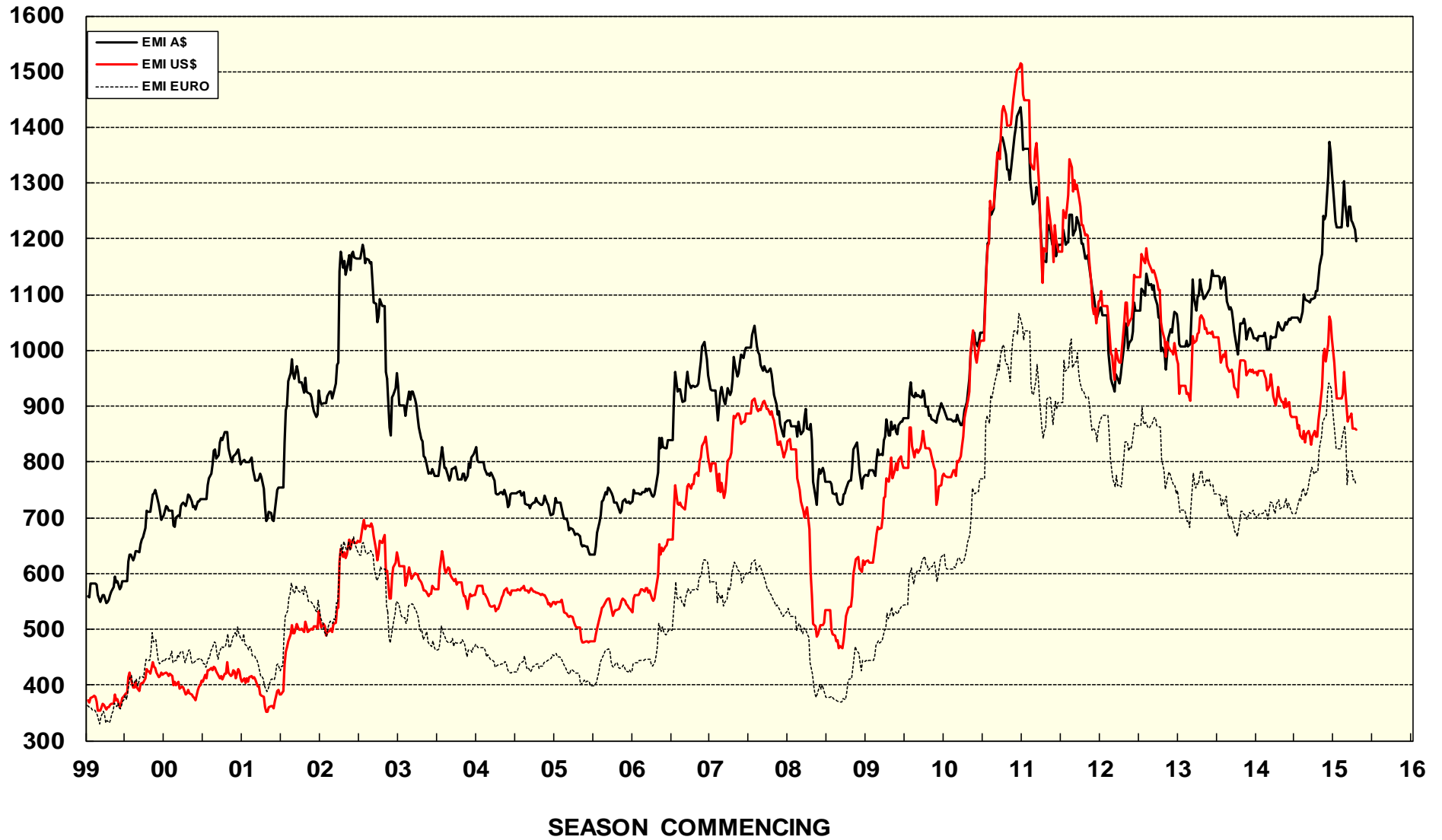
2015/16(black graph line) and 2014/15 (red graph line)



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

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