## **AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC**

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**AWIS WOOL MARKET REVIEW**

### Week Ending 16 June 2017 (Week 50)

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| The AWEX EMI finished 28¢ higher (+1.9%) in Australian currency and 31¢ higher (+2.8%) in US currency at sales in Sydney, Melbourne and Fremantle this week.The closing WMI of 1567¢ was the highest for the season; and the highest since AWIS started recording these data in 2006/07. The 63¢ gain in the WMI is over two weeks as there was no sale in Fremantle inn Week 49.28,585 bales were on offer nationally, compared with 24,018 bales last sale. 6.3% of the offering was passed in.AWEX reports that the value of the wool sold was $43.8 million ($1,635 per bale), taking the season total to $2.6 billion.

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| **Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 50)** |
| **Centre** | **Last Sale** | **Day-to-Day Changes (Week 50)** | **Sale-to-Sale** | **Closing** | **Sale-to-Sale Changes** |
|  | **Week** | **Indicator** | **Tuesday** | **Wednesday** | **Thursday** | **Change** | **Indicator** | **US ¢** | **Euro ¢** |
| **Eastern** | 49 | 1478 | No Sale | +10 | +18 | +28 (+1.9%) | 1506 | +31 | +31 |
| **Northern** | 49 | 1545 | No Sale | +6 | +24 | +30 (+1.9%) | 1575 | +34 | +33 |
| **Southern** | 49 | 1436 | No Sale | +13 | +13 | +26 (+1.8%) | 1462 | +29 | +30 |
| **Western** | 48 | 1504 | No Sale | +28 | +35 | +63 (+4.2%) | 1567 | +57 | +56 |

The market withstood a further increase in the US Exchange Rate, with the EMI moving up in both currencies and moving back over 1500¢ in A$. The EMI has appreciated by 34¢ (2.3%) in Australian currency and by 57¢ (5.2%) in US currency over this sale and the previous one. There were gains across all the AWEX Merino and crossbred Micron Price Guides, with the greatest gains again among the medium Merino micron ranges.Merino skirtings had a very good week, while the oddments finished on firm basis.The US Exchange Rate finished 0.66¢ (0.9%) higher to close at 76.16¢ on Thursday, taking the two week increase to 2.9%. The closing US Exchange Rate is now over 76¢ for the first time since the end of March.Buyers for China were dominant, with support from buyers for Europe and India.Supplies of Merino wool are now restricted to Australia, as South African sales are now in recess until 16 August and the Merino season has finished in New Zealand.

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| **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** | 539¢ | 638¢ | 671¢ | 712¢ | No 16.5µ MPG |
| **South** | 534¢ | 632¢ | 677¢ | 710¢ | No 16.5µ MPG |

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| **Market Indicator** | **Changes From** |
|  | **Four Sales AgoWeek 46** | **Start ofthe Season** | **Week 50Last Year** | **Season Average toWeek 50 Last Year** |
| **Eastern Market Indicator** | -16 (-1.1%) | +190 (+14.4%) | +236 (+18.6%) | +151 (+12.1%) |
| **Western Market Indicator** | +32 (+2.1%) | +148 (+10.4%) | No Sale | +147 (+11.3%) |

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| **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 ¢** |  | +17 | +20 | +42 | +28 | +31 | +38 | +77 | +61 | +66 |  |  |
| **Change %** |  | +0.8% | +0.9% | +2.0% | +1.4% | +1.7% | +2.2% | +4.9% | +4.1% | +4.6% |  |  |
| **Since Start of the Season** |  |  |  |  |  |  |  |  |  |  |
| **Change ¢** |  | +623 | +593 | +570 | +481 | +353 | +256 | +148 | +73 | +25 | -24 |  |
| **Change %** |  | +39.7% | +37.9% | +36.8% | +31.6% | +23.4% | +17.1% | +9.9% | +4.9% | +1.7% | -1.7% |  |
| **Since Same Week Last Year** |  |  |  |  |  |  |  |  |  |  |
| **Change ¢** |  | +671 | +635 | +620 | +534 | +408 | +324 | +237 | +183 | +120 | +79 |  |
| **Change %** |  | +44.1% | +41.7% | +41.4% | +36.3% | +28.1% | +22.6% | +16.9% | +13.3% | +8.8% | +5.8% |  |

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| **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 ¢** |  |  | +7 | +8 | +3 | +2 |
| **Change %** |  |  | +0.9% | +1.5% | +0.8% | +0.2% |
| **Since Start of the Season** |  |  |  |  |
| **Change ¢** |  | +14 | +11 | -86 | -130 | +99 |
| **Change %** |  | +1.3% | +1.5% | -13.4% | -24.9% | +9.1% |
| **Since Same Week Last Year** |  |  |  |  |
| **Change ¢** |  | +45 | -21 | -147 | -182 | +96 |
| **Change %** |  | +4.2% | -2.7% | -20.9% | -31.7% | +8.8% |
| # Average Merino Cardings Price Guide |

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**AWIS WOOL MARKET REVIEW**

### Week Ending 16 June 2017 (Week 50)

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| 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 April ABS export data.

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| **Details of this Week’s Offering and the Comparison with the Previous Sale’s Offering** |  | **Actual and % Changes in the Progressive Offerings fromLast Year** |
| **Centre** | ***Last Sale*** | **This Sale** |  |
|  | ***Offering*** | **Offering** | **Passed-In** | **WithdrawnBefore Sale** | **Re-Offered** | **Bales Sold** |  |
| **North** | *10,027* | 8,890 | 7.4% | 4.4% | 6.6% | 8,235 |  | +21,365 | +4.4% |
| **South** | *13,991* | 15,036 | 4.7% | 6.4% | 9.2% | 14,332 |  | +29,855 | +3.4% |
| **West** |  | 4,659 | 9.4% | 4.0% | 23.5% | 4,221 |  | +28,997 | +8.2% |
| **Australia** | ***24,018*** | **28,585** | **6.3%** | **5.4%** | **10.7%** | **26,788** |  | **+80,217** | **+4.7%** |

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| **Next Sale Offerings and Year-on-Year Differences** |
| **Centre** | **Week 51** | **Week 52** | **Week 01** | **Differences** |
| **North** | 9,948 | 10,350 | 14,010 | **+5.0%** |
| **South** | 14,428 | 16,368 | 17,325 | **+6.3%** |
| **West** | No Sale | 4,550 | 7,650 | **-48.9%** |
| **New Zealand** |  |  |  |  |
| **Australia** | **23,630** | **31,268** | **38,985** | **+1.0%** |
| **Differences** | **-25.4%** | **+41.4%** | **-0.4%** |  |

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| **Exchange Rates** | **Last**  | **Day-to-Day Changes** | **Sale-to-Sale** | **Closing** | **Season Min & Max** |
| **(Reserve Bank)** | **Sale** | **Fri** | **Mon** | **Tues** | **Wed** | **Thur** | **Change** | **Value** | **Min** | **Max** |
| **United States** | 75.50 | -0.15 | Public | +0.21 | -0.05 | +0.65 | +0.66 (+0.9%) | 76.16 | 73.52 | 77.13 |
| **Euro** | 67.03 | +0.22 | Holiday | +0.29 | -0.24 | +0.59 | +0.86 (+1.3%) | 67.89 | 65.87 | 72.77 |

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| **Country** | **% Share of Australia’s Wool Exports by Weight of Wool Shipped** | **Year-on-Year % Change** |
|  | **April2017** | **July to AprilThis Season** | **July to AprilLast Season** | **July to April** |
| **By Weight** | **By Value** |
| China | 80.8% | 79.2% | 74.9% | +13.5% | +25.1% |
| India | 5.7% | 5.9% | 7.4% | -14.2% | -5.5% |
| Italy | 3.7% | 4.4% | 4.8% | -0.1% | +12.6% |
| Czech Republic | 3.8% | 4.8% | 5.2% | -0.9% | -0.9% |
| Malaysia | 0.3% | 0.7% | 1.6% | -55.5% | -58.0% |
| Korea | 2.0% | 1.6% | 1.8% | -0.4% | -0.9% |
| Taiwan | 1.0% | 0.7% | 0.8% | -1.6% | +0.6% |
| Egypt | 1.2% | 1.0% | 1.2% | -7.3% | +10.8% |
| **Change all Countries** |  |  |  | **+7.5%** | **+16.7%** |
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