## **AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC**

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**AWIS WOOL MARKET REVIEW**

### Week Ending 9 June 2017 (Week 49)

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| The AWEX EMI finished 6¢ higher (+0.4%) in Australian currency and 26¢ higher (+2.4%) in US currency at sales in Sydney and Melbourne this week. There was no sale in Fremantle24,018 bales were on offer nationally, compared with 28,459 bales last sale. 9.1% of the offering was passed in.AWEX reports that the value of the wool sold was $34.6 million ($1,585 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 49)** |
| **Centre** | **Last Sale** | **Day-to-Day Changes (Week 49)** | **Sale-to-Sale** | **Closing** | **Sale-to-Sale Changes** |
|  | **Week** | **Indicator** | **Tuesday** | **Wednesday** | **Thursday** | **Change** | **Indicator** | **US ¢** | **Euro ¢** |
| **Eastern** | 48 | 1472 | No Sale | -5 | +11 | +6 (+0.4%) | 1478 | +26 | +21 |
| **Northern** | 48 | 1547 | No Sale | -12 | +10 | -2 (-0.1%) | 1545 | +21 | +17 |
| **Southern** | 48 | 1426 | No Sale | -2 | +12 | +10 (+0.7%) | 1436 | +28 | +24 |
| **Western** | 48 | 1504 | No Sale | No Sale | No Sale |  |  |  |  |

The market displayed considerable resilience this week when it withstood a 2.0% appreciation in the US Exchange Rate; and the EMI increased in both Australian and US currencies, particularly on Thursday. The season average EMI also moved past the 1400¢ mark to 1401¢, 147¢ above last year’s average.Trade reports indicate that there was strong support for the better type wools, that extended into some of the burrier types on Thursday.Good gains were made across the Merino micron ranges, with the greatest rises in their average AWEX MPGs from 19.5 microns up. Crossbreds were mixed, with small movements either up or down in their average MPGs. Merino skirtings eased on Wednesday, but showed some recovery on Thursday. Oddments were generally unchanged.The US Exchange Rate made steady gains during the week, before finishing 1.47¢ (2.0%) higher to close at 75.50¢ on Thursday. This appeared to be due to both an easing of US currency and a strengthening of Australian currency (on the expectation of continued, but weaker economic growth).Buyers for China were dominant, with support from buyers for India and Europe.Next week’s offering is expected to move back up over 34,000 bales.

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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** | No 22.0µ MPG | No 22.0µ MPG | No 22.0µ MPG | No 22.0µ MPG | No 22.0µ MPG |
| **South** | 557¢ | 652¢ | 708¢ | 746¢ | No 16.5µ MPG |

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| **Market Indicator** | **Changes From** |
|  | **Four Sales AgoWeek 45** | **Start ofthe Season** | **Week 49Last Year** | **Season Average toWeek 49 Last Year** |
| **Eastern Market Indicator** | -56 (-3.7%) | +162 (+12.3%) | +182 (+14.0%) | +149 (+11.9%) |
| **Western Market Indicator** | No Sale | No Sale | No Sale | No Sale |

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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 ¢** |  | +18 | +11 | +10 | +13 | +11 | +24 | +13 | +20 | +3 |  |  |
| **Change %** |  | +0.8% | +0.5% | +0.5% | +0.7% | +0.6% | +1.4% | +0.8% | +1.4% | +0.2% |  |  |
| **Since Start of the Season** |  |  |  |  |  |  |  |  |  |  |
| **Change ¢** |  | +606 | +573 | +528 | +453 | +322 | +218 | +71 | +12 | -41 |  |  |
| **Change %** |  | +38.6% | +36.7% | +34.1% | +29.7% | +21.3% | +14.5% | +4.8% | +0.8% | -2.8% |  |  |
| **Since Same Week Last Year** |  |  |  |  |  |  |  |  |  |  |
| **Change ¢** |  | +614 | +578 | +533 | +466 | +336 | +248 | +128 | +92 | +36 |  |  |
| **Change %** |  | +39.3% | +37.1% | +34.6% | +30.9% | +22.5% | +16.9% | +8.9% | +6.6% | +2.6% |  |  |

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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 ¢** |  |  | +4 | -3 | -1 | -2 |
| **Change %** |  |  | +0.5% | -0.5% | -0.3% | -0.2% |
| **Since Start of the Season** |  |  |  |  |
| **Change ¢** |  |  | +4 | -94 | -133 | +97 |
| **Change %** |  |  | +0.5% | -14.7% | -25.4% | +8.9% |
| **Since Same Week Last Year** |  |  |  |  |
| **Change ¢** |  |  | -56 | -173 | -202 | +73 |
| **Change %** |  |  | -6.9% | -24.0% | -34.1% | +6.6% |
| # Average Merino Cardings Price Guide |

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**AWIS WOOL MARKET REVIEW**

### Week Ending 9 June 2017 (Week 49)

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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** | *8,552* | 10,027 | 9.3% | 3.9% | 6.6% | 9,097 |  | +24,609 | +5.2% |
| **South** | *15,871* | 13,991 | 9.0% | 4.8% | 9.5% | 12,735 |  | +29,916 | +3.5% |
| **West** | *4,036* |  |  |  |  |  |  | +24,338 | +6.9% |
| **Australia** | ***28,459*** | **24,018** | **9.1%** | **4.5%** | **8.3%** | **21,832** |  | **+78,863** | **+4.7%** |

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| **Next Sale Offerings and Year-on-Year Differences** |
| **Centre** | **Week 50** | **Week 51** | **Week 52** | **Differences** |
| **North** | 9,696 | 9,030 | 10,900 | **-4.7%** |
| **South** | 16,261 | 15,300 | 17,129 | **+9.7%** |
| **West** | 4,851 | No Sale | 5,150 |  |
| **New Zealand** |  |  |  |  |
| **Australia** | **34,110** | **24,330** | **33,179** | **+13.1%** |
| **Differences** | **+25.3%** | **-23.2%** | **+50.1%** |  |

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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** | 74.03 | -0.13 | +0.74 | +0.29 | +0.47 | +0.10 | +1.47 (+2.0%) | 75.50 | 73.52 | 77.13 |
| **Euro** | 65.87 | +0.01 | +0.38 | +0.21 | +0.46 | +0.10 | +1.16 (+1.8%) | 67.03 | 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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