

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW

Week Ending 13 May 2016 (Week 46)

The AWEX EMI finished 19¢ higher (+1.5%) in Australian currency and 7¢ lower (-0.7%) in US currency at sales in Sydney, Melbourne and Fremantle this week.

37,066 bales were on offer nationally, compared with 35,914 bales last sale. 5.2% of the offering was passed in.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 46)									
Centre	Last Sale		Day-to-Day Changes (Week 46)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	45	1268	No Sale	+14	+5	19 (1.5%)	1287	-7	-1
Northern	45	1297	No Sale	+14	+7	21 (1.6%)	1318	-6	0
Southern	45	1250	No Sale	+14	+4	18 (1.4%)	1268	-8	-1
Western	45	1361	No Sale	+11	+11	22 (1.6%)	1383	-7	0

The market was subject to further volatility in the United States Exchange Rate, which fell by another 2.2%, taking the fall over the last three sales (including this one) to 4.77¢ (6.1%)

There were gains across almost all micron ranges and wool types on both days. The closing EMI at 1287¢ is at its third highest level for the season, after 1304¢ in the second week of August and 1296¢ in the third week of January. Trade reports indicate that there was strong demand for the better types with good staple measurements. There were also reports of a large number of lots with high vegetable matter content,

Merino types did best up to 19.5 micron. Wools from 20 microns and up were in positive territory, but not to the same extent as the finer types. Merino skirting followed the fleece types. There were also gains among the crossbred wools, particularly at the fine end where the average AWEX MPGs for 25 and 26 microns lifted by sharply on small volumes. The average AWEX Merino Cardings Price Guide rose by another 31¢ (3.0%), and by 50¢ over the last two sales.

The US Exchange Rate finished 1.65¢ (-2.2%) lower to close at 73.35¢ on Thursday. Financial analysts attribute the fall to speculation about a further cut in the Australian official interest rate and to weaker commodity prices.

Buyers for China were dominant, with support from buyers for India, 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	147¢	169¢	188¢	186¢	206¢
South	136¢	162¢	182¢	188¢	189¢

Market Indicator	Changes From			
	Four Sales Ago Week 42	Start of the Season	Week 46 Last Year	Season Average to Week 46 Last Year
Eastern Market Indicator	+46 (+3.7%)	+61 (+5.0%)	+52 (+4.2%)	+179 (+16.7%)
Western Market Indicator	+71 (+5.4%)	+130 (+10.4%)	+108 (+8.5%)	+194 (+17.5%)

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 ¢		+18	+24	+28	+33	+32	+20	+10	+10	+4	+13	
Change %		+1.2%	+1.6%	+1.8%	+2.2%	+2.2%	+1.4%	+0.7%	+0.7%	+0.3%	+1.0%	
Since Start of the Season												
Change ¢	+60	+83	+100	+120	+149	+162	+149	+123	+101	+96	+82	
Change %	+3.9%	+5.6%	+6.8%	+8.4%	+10.9%	+12.1%	+11.3%	+9.4%	+7.8%	+7.5%	+6.5%	
Since Same Week Last Year												
Change ¢	+63	+84	+98	+105	+116	+126	+122	+113	+106	+126	+133	
Change %	+4.2%	+5.7%	+6.7%	+7.3%	+8.3%	+9.2%	+9.0%	+8.6%	+8.2%	+10.1%	+10.9%	

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 ¢	+42	+28	+14	+5	0	+31
Change %	+3.7%	+2.7%	+1.8%	+0.7%	0.0%	+3.0%
Since Start of the Season						
Change ¢	+49	+4	-96	-104	-70	+44
Change %	+4.4%	+0.4%	-10.8%	-13.1%	-10.5%	+4.3%
Since Same Week Last Year						
Change ¢	+75	+52	-91	-139	-117	+26
Change %	+6.8%	+5.1%	-10.3%	-16.8%	-16.5%	+2.5%

Average Merino Cardings Price Guide

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AWIS WOOL MARKET REVIEW Week Ending 13 May 2016 (Week 46)

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 March ABS export data.

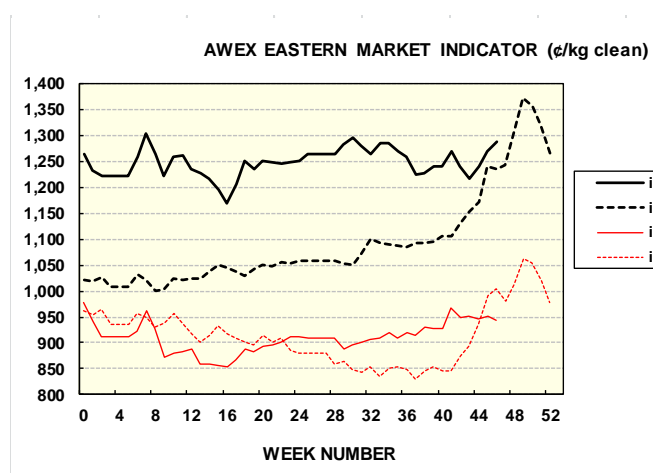
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re- Offered	Bales Sold
North	10,164	9,355	3.7%	2.7%	8.4%	9,010
South	19,083	19,004	5.5%	3.7%	11.6%	17,965
West	6,667	8,707	6.3%	3.0%	11.8%	8,161
Australia	35,914	37,066	5.2%	3.3%	10.9%	35,136

Actual and % Changes in the Progressive Offerings from Last Year	
-43,062	-8.8%
-96,362	-10.7%
-17,440	-4.9%
-156,864	-9.0%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 47	Week 48	Week 49	Differences
North	11,753	10,200	10,210	-15.9%
South	22,658	19,213	20,525	+14.6%
West	8,503	No Sale	5,850	+3.6%
New Zealand				
Australia	42,914	29,413	36,585	+2.2%
Differences	-0.6%	-22.0%	+42.7%	

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	75.00	-1.06	-0.23	-0.43	+0.35	-0.28	-1.65 (-2.2%)	73.35	69.05	78.12
Euro	65.27	-0.40	-0.21	-0.29	+0.29	-0.42	-1.03 (-1.6%)	64.24	62.20	69.14

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change in Weight of Wool Exports July - March
	March 2016	July - March This Season	July - March Last Season	
China	77.4%	74.4%	75.4%	-10.2%
India	5.7%	7.5%	6.4%	+6.8%
Italy	4.3%	5.1%	4.7%	-0.7%
Czech Republic	4.5%	5.3%	4.9%	-3.0%
Malaysia	1.7%	1.6%	1.9%	-22.0%
Korea	1.9%	1.7%	2.2%	-29.4%
Taiwan	0.4%	0.8%	0.9%	-21.4%
Egypt	1.7%	1.2%	0.9%	+17.7%
Change all Countries				-9.0%



AVERAGE EMI	
This Year	1248
Last Year	1102
2013/14	1070
2012/13	1035
2011/12	1198

SEASON AVERAGES		
Region	This Year	Diff
North	1,273	149
South	1,232	145
West	1,301	172

THIS YEAR'S EMI	
This Week	1287
First Week	1231
Low (13/03/0)	1,169
High (13/03/0)	1304

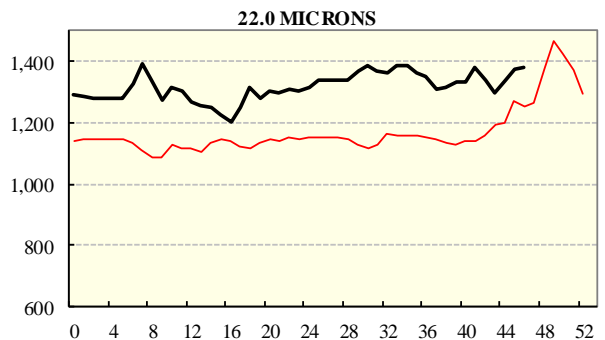
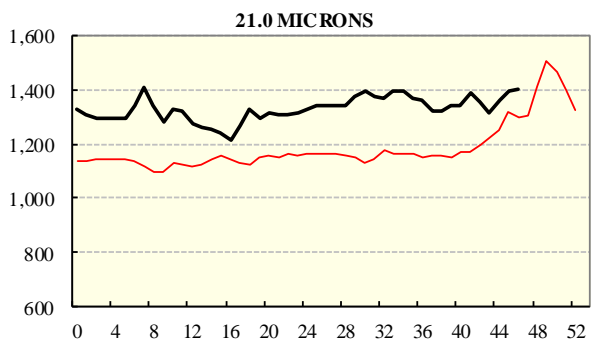
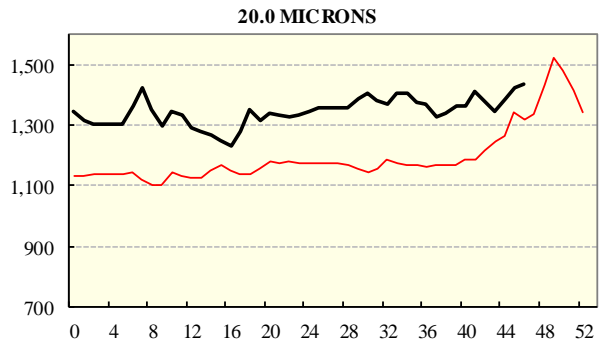
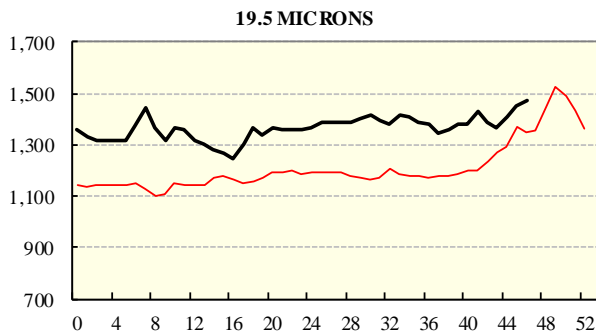
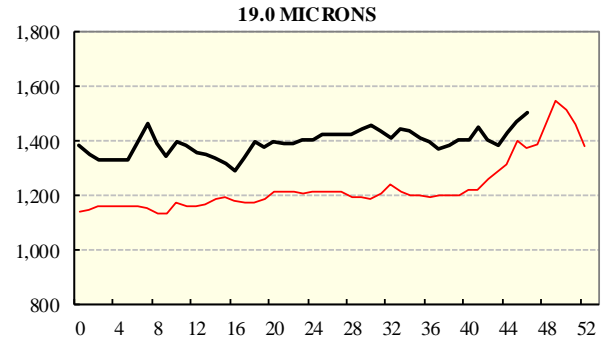
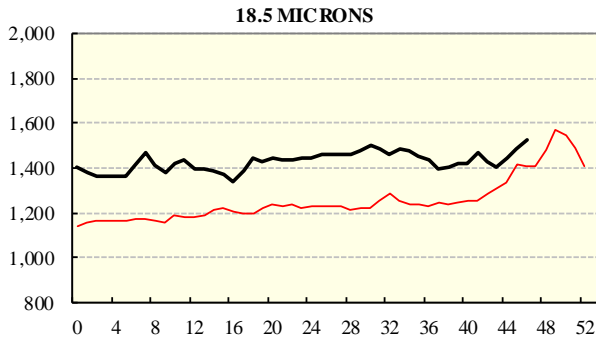
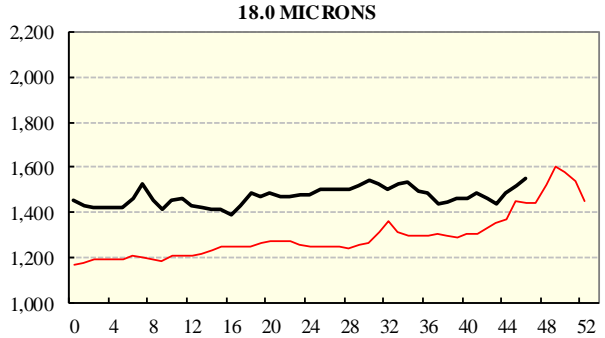
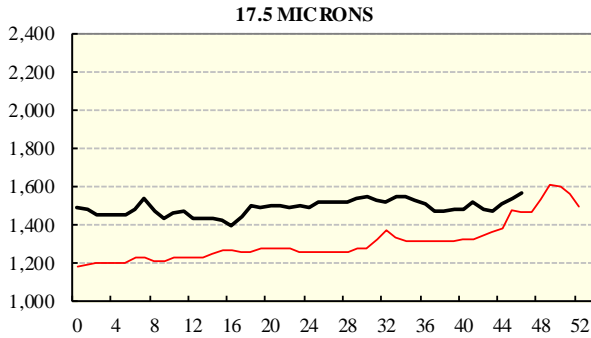
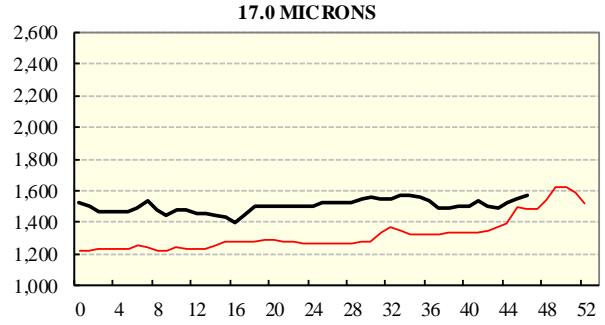
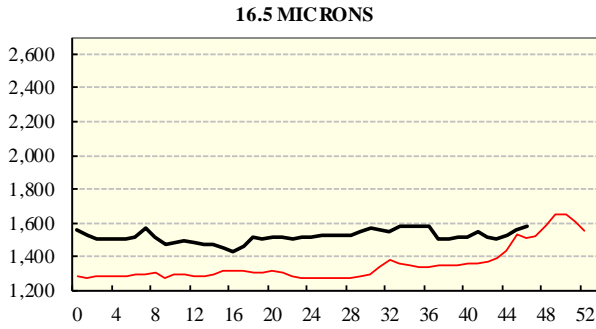
COMPARED WITH WEEK 1		
Region	This Week	Diff
North	1318	68
South	1268	49
West (Wk)	1383	132

BALES OFFERED	
This Year	1,587,774
Last Year	1,744,638
Difference	-156,864
% Diff	-9.0%
FIRST OFFERED BALES	
Difference	-8.0%
% of Offering	94.5%

REGION BALES		
This Sale:		
North	62	
South	9,355	
West	19,004	
Progressive Totals:		
North	445,222	-8.8%
South	806,554	-10.7%
West	335,998	-4.9%

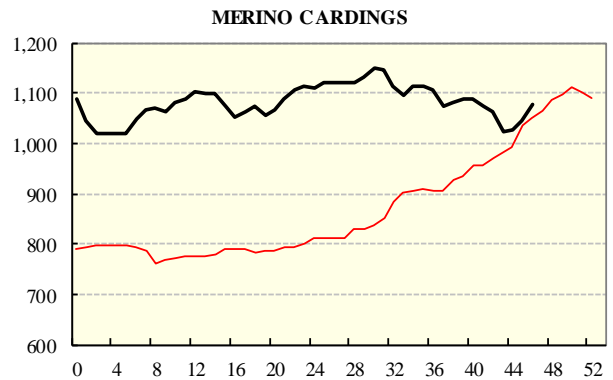
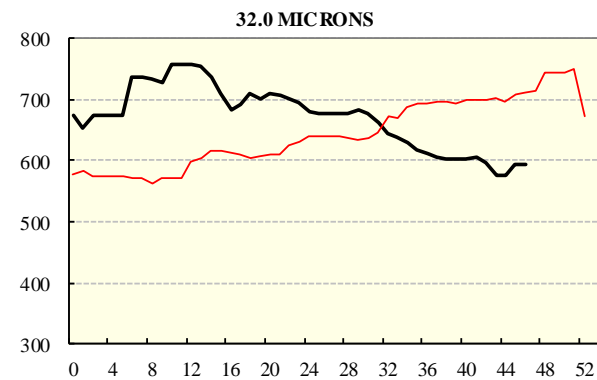
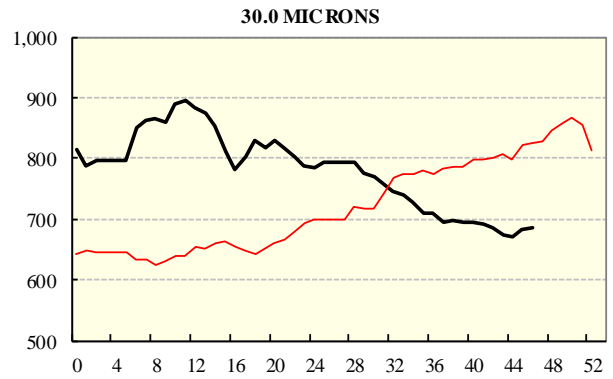
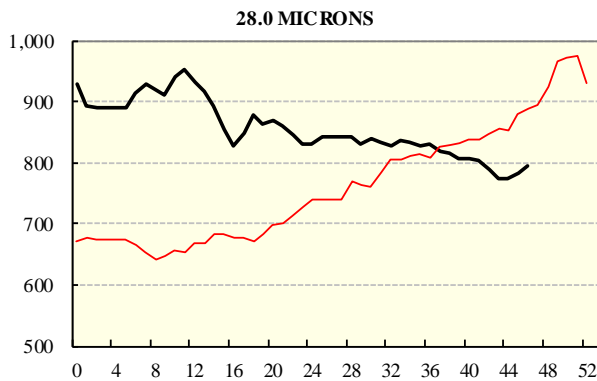
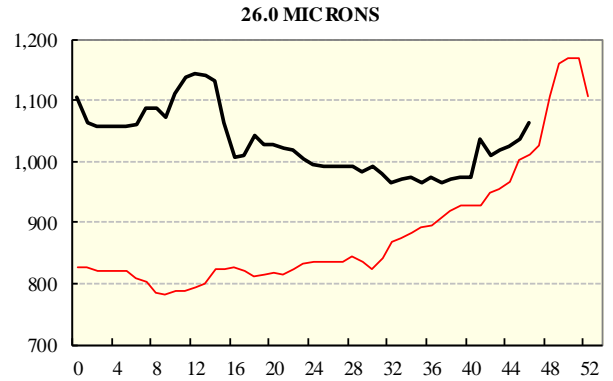
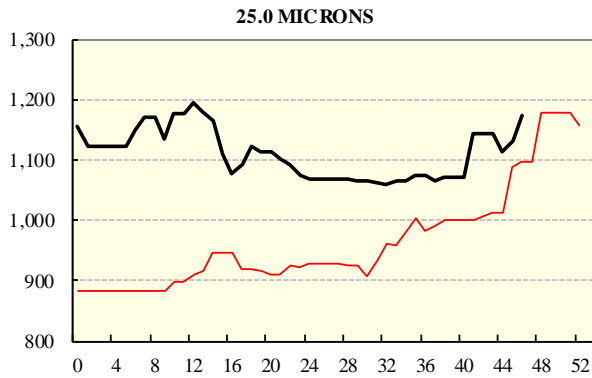
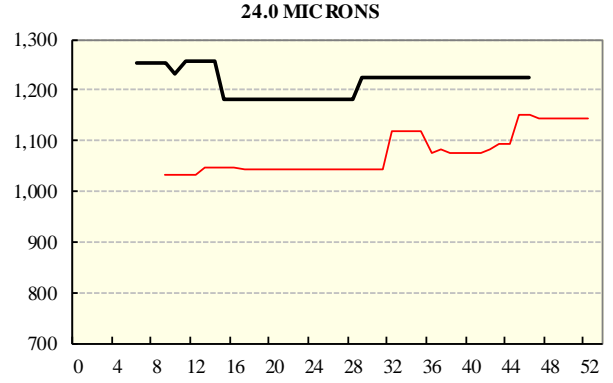
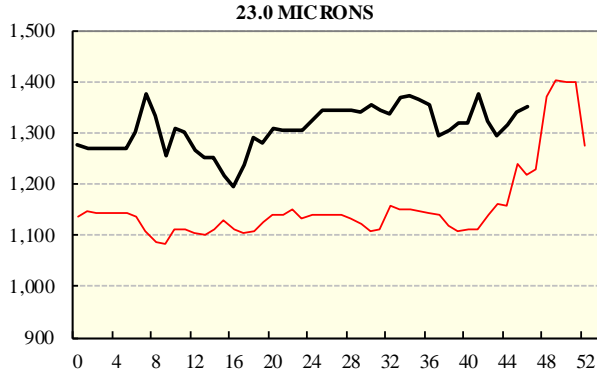
AVERAGE AWEX MICRON PRICE GUIDES

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

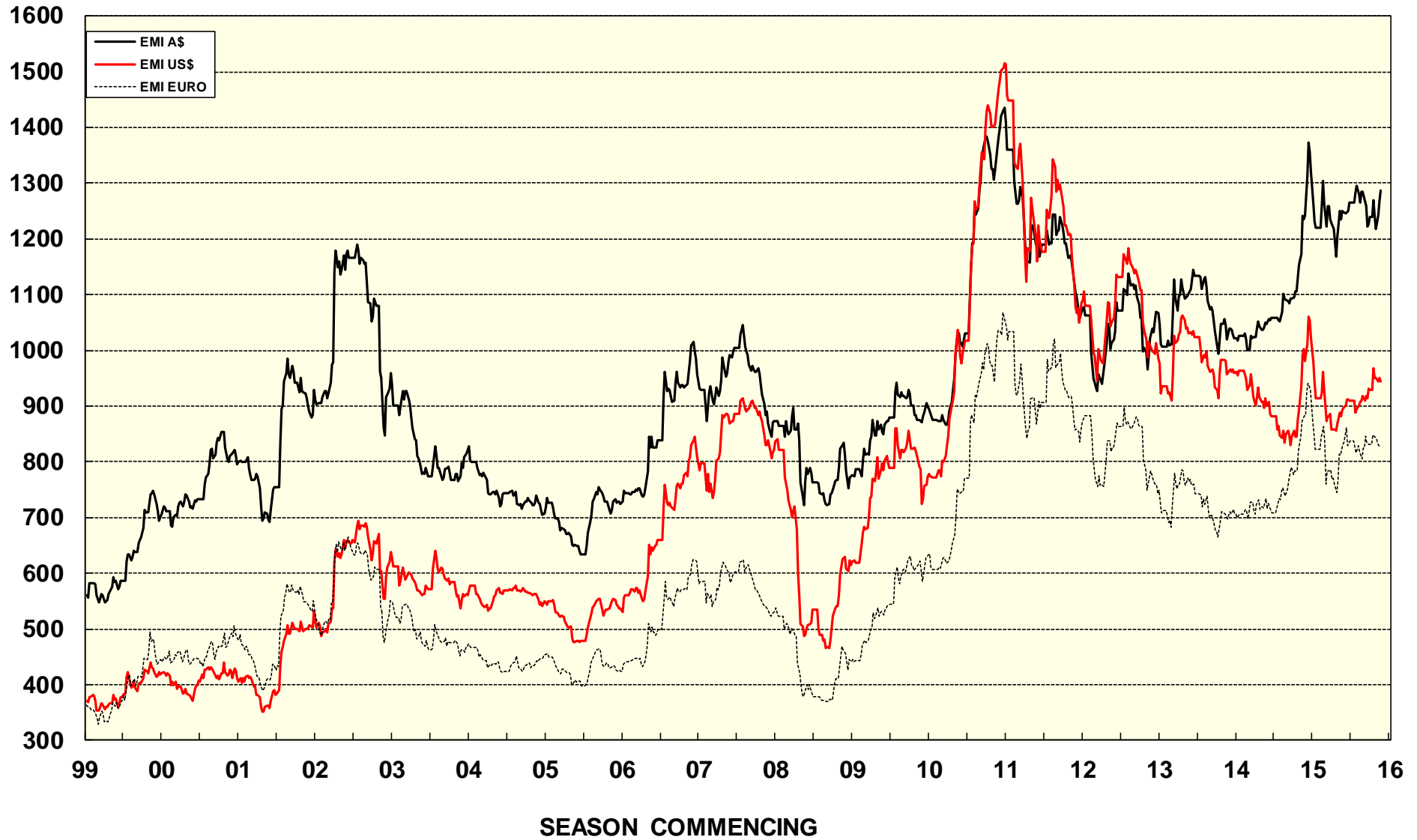


AVERAGE AWEX MICRON PRICE GUIDES

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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