

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW

Week Ending 15 July 2016 (Week 02)

The AWEX EMI finished at 1311¢, 9¢ lower (-0.7%) in Australian currency and 5¢ higher (+0.5%) in US currency at sales in Sydney, Melbourne and Fremantle this week. It was the last sale before the mid-year break.

40,935 bales were on offer nationally, compared with 39,152 bales last sale. 8.3% of the offering was passed in.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 02)

Centre	Last Sale		Day-to-Day Changes (Week 02)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	01	1320	No Sale	-5	-4	-9 (-0.7%)	1311	+5	+4
Northern	01	1341	No Sale	-6	-2	-8 (-0.6%)	1333	+6	+5
Southern	01	1306	No Sale	-4	-6	-10 (-0.8%)	1296	+4	+2
Western	01	1423	No Sale	-5	-4	-9 (-0.6%)	1414	+6	+4

It was another good week with good demand, but with the gain in the EMI in US currency being cancelled out by the 1.2% rise in the US exchange rate. Overall it was a good finish going into the break, with the EMI at 1311¢ in Australian currency and 998¢ in US currency (after reaching 1000¢ for the first time since mid-June last year on Wednesday).

The market got away to a solid start on Wednesday before easing as the sale progressed. The fine Merino types were relatively unchanged, while there were bigger falls from 19 microns up among the Merino types. These wools had made the biggest gains in the previous week.

Crossbreds were mixed again, with rises in their average AWEX MPGs at the fine end and falls at the coarse end. Oddments also had mixed results. The average AWEX Merino Cardings Price Guide was virtually unchanged, falling by 3¢ to close at 1084¢.

The US exchange rate finished 0.90¢ (1.2%) higher to close at 76.11¢ on Thursday.

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	64¢	87¢	111¢	121¢	134¢
South	64¢	92¢	105¢	108¢	124¢

Market Indicator	Changes From			
	Four Sales Ago Week 51	Start of the Season	Week 02 Last Year	Season Average to Week 02 Last Year
Eastern Market Indicator	+32 (+2.5%)	-9 (-0.7%)	+90 (+7.4%)	+90 (+7.3%)
Western Market Indicator	+52 (+3.8%)	-9 (-0.6%)	+163 (+13.0%)	+193 (+15.7%)

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 ¢		-3	-4	-7	-18	-20	-20	-21	-17	-9	-14	
Change %		-0.2%	-0.3%	-0.5%	-1.2%	-1.3%	-1.3%	-1.4%	-1.1%	-0.6%	-1.0%	
Since Start of the Season												
Change ¢	+1	-2	-2	-4	-9	-10	-10	-11	-9	-5	-7	
Change %	+0.1%	-0.1%	-0.1%	-0.3%	-0.6%	-0.7%	-0.7%	-0.7%	-0.6%	-0.3%	-0.5%	
Since Same Week Last Year												
Change ¢	+76	+96	+106	+122	+149	+168	+176	+177	+178	+177	+177	
Change %	+5.0%	+6.5%	+7.3%	+8.6%	+10.9%	+12.6%	+13.4%	+13.6%	+13.8%	+13.8%	+13.9%	

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 ¢		+29	+1	-13	-16	-3
Change %		+2.7%	+0.1%	-2.0%	-3.0%	-0.3%
Since Start of the Season						
Change ¢	+31	+14	0	-7	-8	-2
Change %	+2.6%	+1.3%	0.0%	-1.1%	-1.5%	-0.2%
Since Same Week Last Year						
Change ¢		+58	-134	-161	-159	+64
Change %		+5.5%	-15.1%	-20.3%	-23.6%	+6.3%

Average Merino Cardings Price Guide

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AWIS WOOL MARKET REVIEW Week Ending 15 July 2016 (Week 02)

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 May 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	13,711	14,799	7.6%	0.2%	7.0%	13,678
South	15,985	18,950	6.2%	1.0%	5.4%	17,770
West	9,456	7,186	15.0%	0.3%	8.2%	6,108
Australia	39,152	40,935	8.3%	0.6%	6.4%	37,556

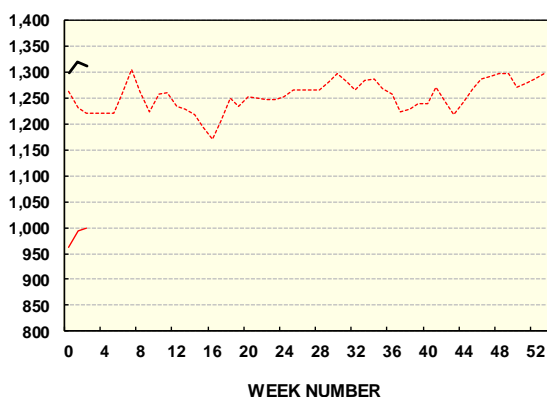
Actual and % Changes in the Progressive Offerings from Last Year	
-4,284	-13.1%
-2,296	-6.2%
-548	-3.2%
-7,128	-8.2%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 03	Week 04	Week 05	Differences
North	No Sale	No Sale	No Sale	
South	No Sale	No Sale	No Sale	
West	No Sale	No Sale	No Sale	
New Zealand				
Australia				
Differences				

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	75.21	-0.33	+0.71	+0.29	+0.14	+0.09	+0.90 (+1.2%)	76.11	75.21	76.11
Euro	67.82	-0.27	+0.89	+0.01	+0.23	-0.13	+0.73 (+1.1%)	68.55	67.82	68.55

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year to Year % Changes July to May	
	May 2016	July to May This Season	July to May Last Season	By Weight	By Value
China	79.3%	75.0%	76.2%	-11.3%	+3.7%
India	6.7%	7.4%	6.0%	+4.1%	+21.0%
Italy	2.2%	4.8%	4.4%	-0.5%	+11.0%
Czech Republic	4.4%	5.2%	4.7%	-7.3%	+1.3%
Malaysia	1.0%	1.6%	1.9%	-24.2%	-38.4%
Korea	2.4%	1.8%	2.2%	-23.4%	-4.6%
Taiwan	0.9%	0.8%	0.8%	-13.8%	-5.5%
Egypt	1.3%	1.2%	0.9%	+23.1%	+36.6%
Change all Countries				-10.0%	+4.0%

AWEX EASTERN MARKET INDICATOR (€/kg clean)



AVERAGE EMI	
This Year	1316
Last Year	1254
2014/15	1102
2013/14	1070
2012/13	1035

SEASON AVERAGES		
Region	This Year	Diff
North	1337	+58
South	1301	+63
West	1419	+110

THIS YEAR'S EMI	
This Week	1311
First Week	1320
Low (15/07)	1311
High (8/07)	1320

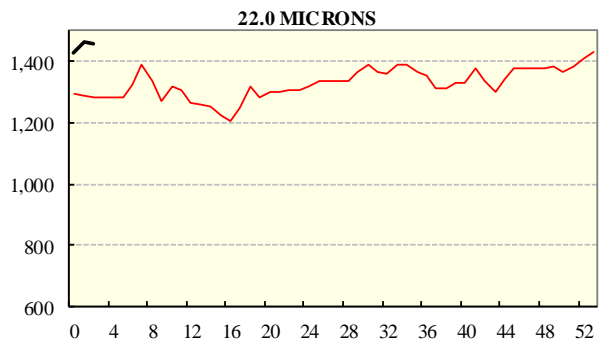
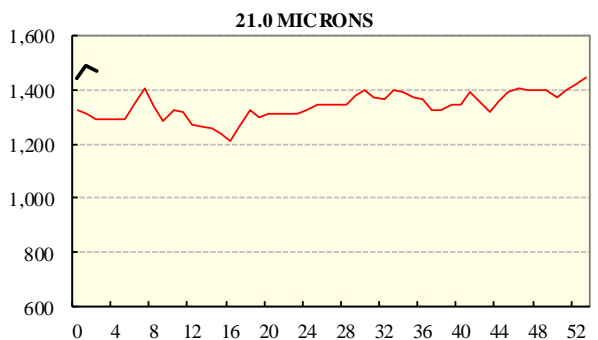
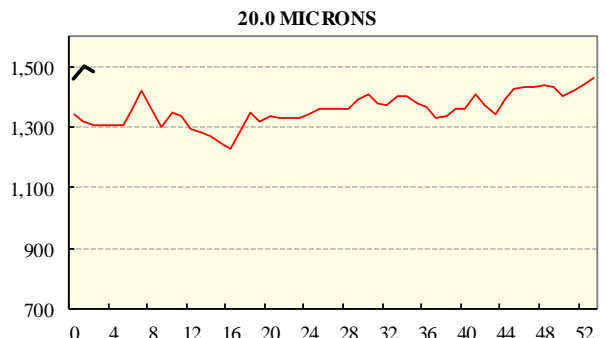
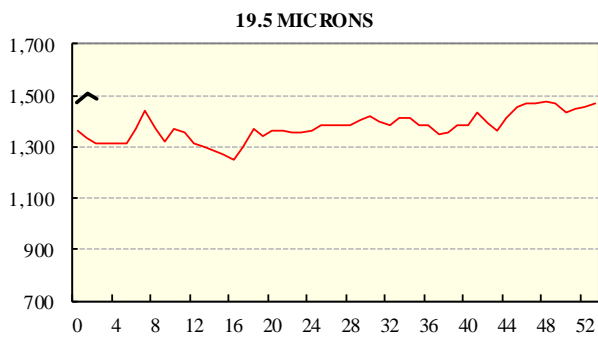
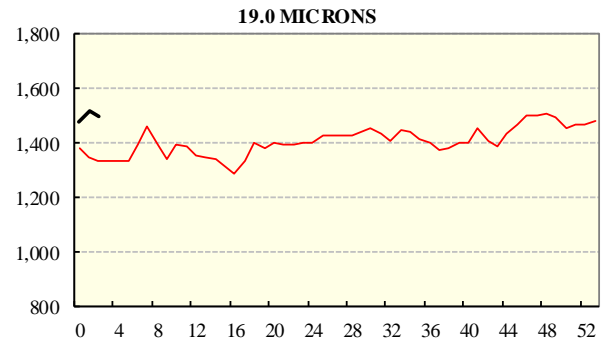
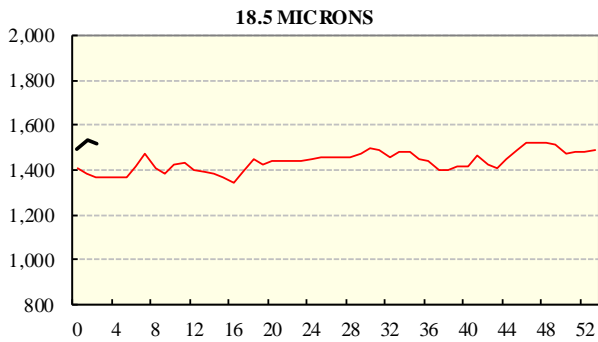
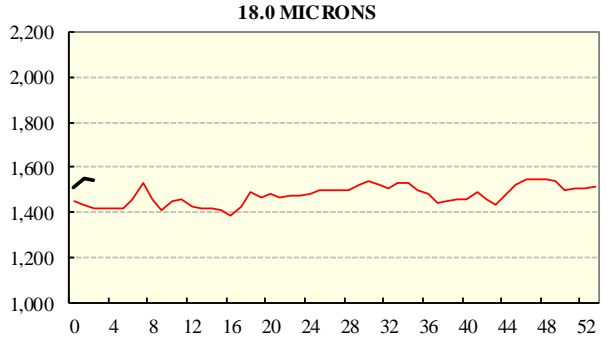
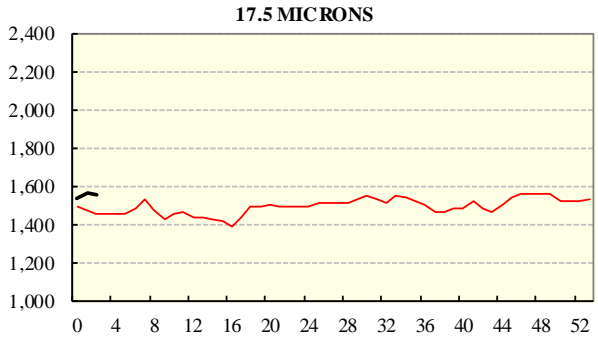
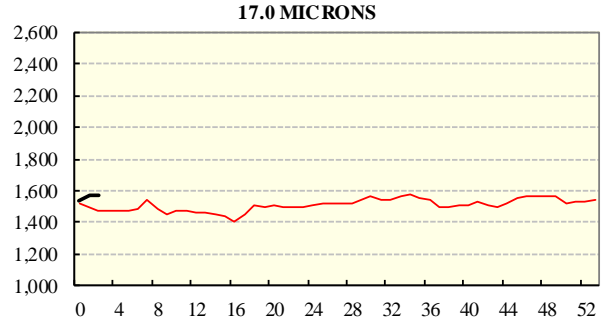
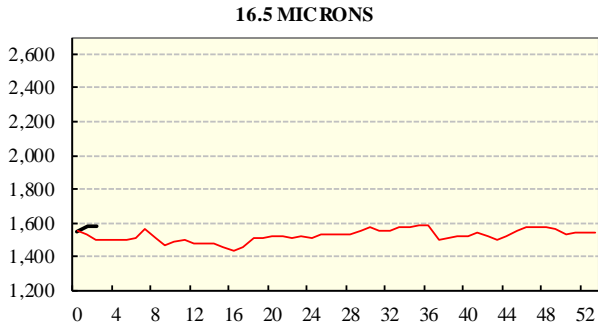
COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1333	-4
South	1296	-5
West	1414	-5

BALES OFFERED	
This Year	80,087
Last Year	87,215
Difference	-7,128
% Diff	-8.2%
FIRST OFFERED BALES	
Difference	-9.7%
% of Offering	93.8%

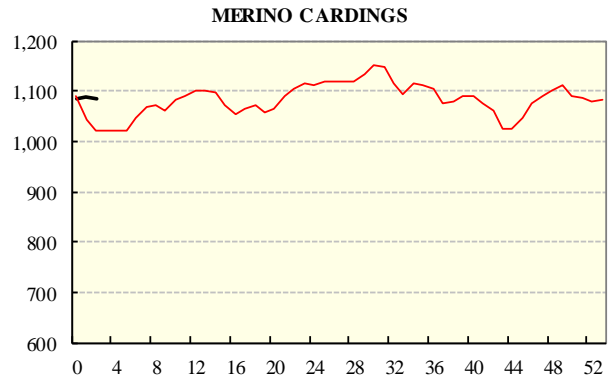
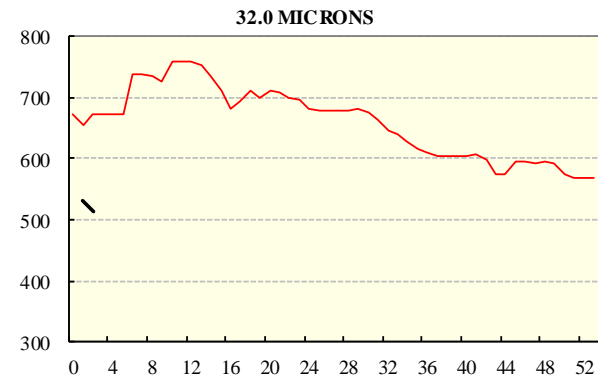
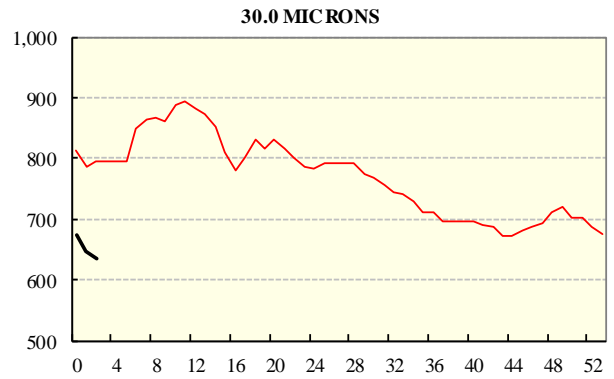
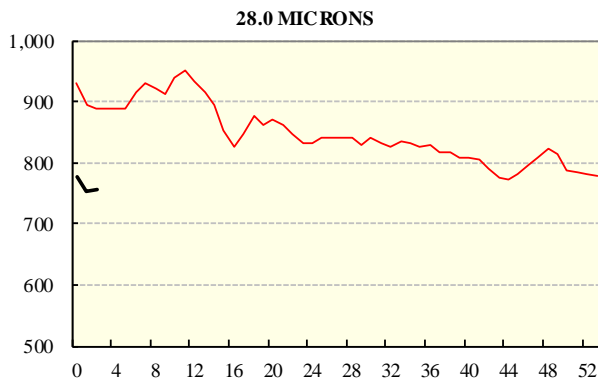
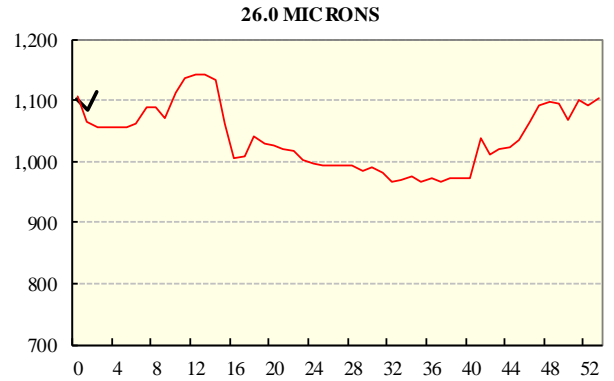
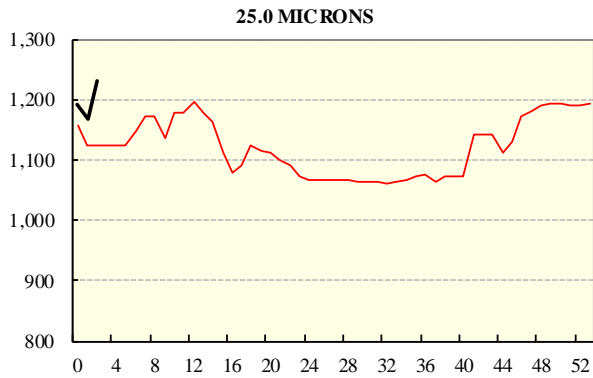
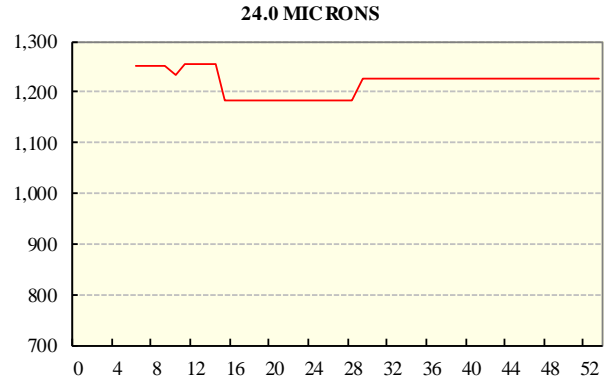
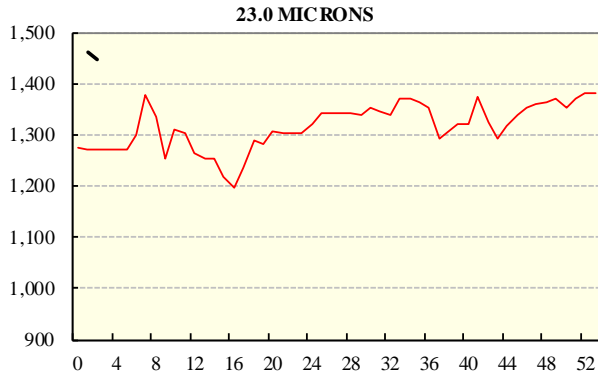
REGION BALES		
This Sale:		
North	14,799	
South	18,950	
West	7,186	
Progressive Totals:		
North	28,510	-13.1%
South	34,935	-6.2%
West	16,642	-3.2%

AVERAGE AWEX MICRON PRICE GUIDES

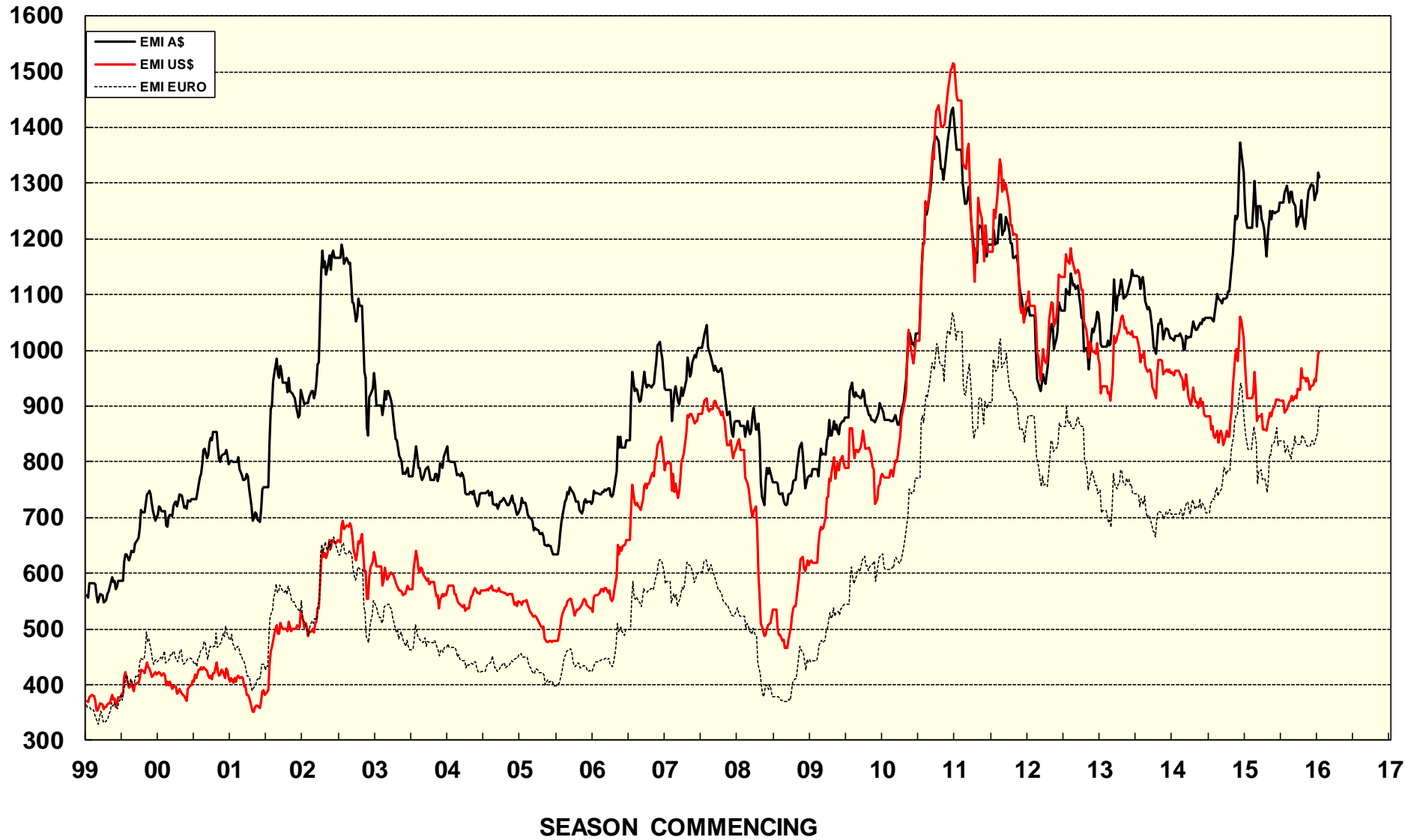
2016/17 (black graph line) and 2015/16 (red graph line)



AVERAGE AWEX MICRON PRICE GUIDES
 2016/17(black graph line) and 2015/16 (red graph line)



EASTERN MARKET INDICATOR (EMI) SINCE 1999/00 (¢/kg clean)
(In Australian, United States and European Currencies)



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