

# AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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## AWIS WOOL MARKET REVIEW Week Ending 16 December 2016 (Week 24)

The AWEX EMI finished 6¢ higher (+0.4%) in Australian currency and 5¢ lower (-0.5%) in US currency at sales in Sydney, Melbourne and Fremantle this week. It was the last sale prior to the three week Christmas break.

55,468 bales were on offer nationally, compared with 52,412 bales last sale. 9.3% of the offering was passed in.

AWEX reports that the value of the wool sold was \$75.1 million (\$1,493 per bale). This took the value of Australian wool sold in the first half of the season to \$1,269.7 million (\$1,553 per bale).

Centre	Last Sale		Day-to-Day Changes (Week 24)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	23	1349	0	+5	+1	+6 (+0.4%)	1355	-5	+17
Northern	23	1403	No Sale	+7	+2	+9 (+0.6%)	1412	-4	+21
Southern	23	1314	0	+4	0	+4 (+0.3%)	1318	-7	+16
Western	23	1411	No Sale	+10	0	+10 (+0.7%)	1421	-3	+21

The first half of the selling season finished on a very firm note with a closing EMI of 1355¢ despite the offering being the largest for the season.. It was a little easier in US currency, which had strengthened on Wednesday (US time) when the US Federal Reserve lifted the official interest rate.

The Merinos did best, as in most of the recent weeks, with gains of around 0.8% across most of the micron ranges. Merino skirtings finished strongly, while oddments were a bit mixed. The Merino Cardings Price Guide fell by 0.3¢, but finished at the very good level of 1132¢.

The softer demand and associated price falls across all crossbred micron ranges led to a pass-in rate of 15.7%, compared with 6.0% for Merino Fleece and Skirtings.

The US Exchange Rate finished 0.76¢ (-1.0%) lower to close at 74.21¢ on Thursday in response to the 0.25% increase in the US interest rate on Wednesday. The rise in the US interest rate was only the second increase since 2006.

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

	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	311¢	351¢	383¢	407¢	426¢
South	293¢	340¢	366¢	379¢	399¢

Market Indicator	Four Sales Ago Week 20	Start of the Season	Week 24 Last Year	Season Average to Week 24 Last Year
Eastern Market Indicator	+41 (+3.1%)	+39 (+3.0%)	+104 (+8.3%)	+80 (+6.5%)
Western Market Indicator	+39 (+2.8%)	+2 (+0.1%)	+122 (+9.4%)	+117 (+9.2%)

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
<b>Since Last Sale</b>												
Change ¢	+14	+15	+12	+14	+6	+15	+12	+12	+12	+12		
Change %	+0.8%	+0.9%	+0.7%	+0.8%	+0.4%	+0.9%	+0.8%	+0.8%	+0.9%	+0.9%		
<b>Since Start of the Season</b>												
Change ¢	+209	+201	+189	+176	+157	+112	+63	-2	-70	-83		
Change %	+13.2%	+12.8%	+12.1%	+11.4%	+10.3%	+7.4%	+4.2%	-0.1%	-4.7%	-5.7%		
<b>Since Same Week Last Year</b>												
Change ¢	+274	+265	+257	+242	+233	+221	+199	+146	+84	+61		
Change %	+18.1%	+17.6%	+17.2%	+16.3%	+16.1%	+15.8%	+14.6%	+10.9%	+6.3%	+4.6%		

Micron	25.0	26.0	28.0	30.0	32.0	MC <sup>#</sup>
<b>Since Last Sale</b>						
Change ¢		-15	-21	-4	-1	-3
Change %		-1.6%	-3.1%	-0.7%	-0.2%	-0.3%
<b>Since Start of the Season</b>						
Change ¢	-151	-155	-93	-39	-48	+46
Change %	-12.6%	-14.1%	-12.3%	-6.1%	-9.2%	+4.2%
<b>Since Same Week Last Year</b>						
Change ¢	-20	-50	-169	-181	-206	+22
Change %	-1.9%	-5.0%	-20.3%	-23.1%	-30.2%	+2.0%

# Average Merino Cardings Price Guide

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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 October ABS export data.

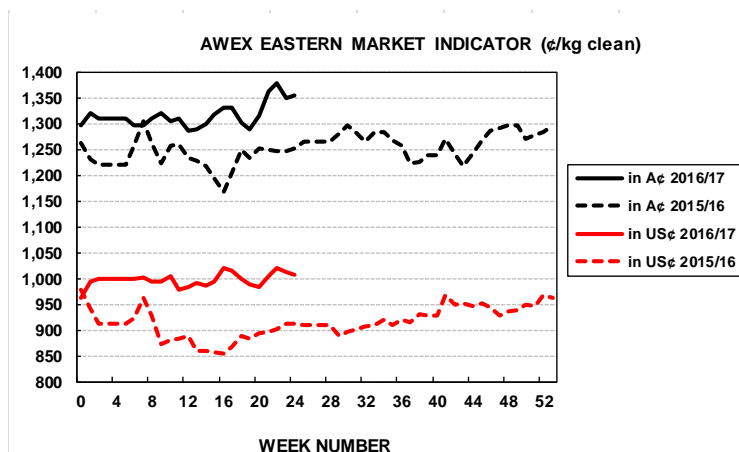
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re- Offered	Bales Sold
North	14,766	15,578	10.8%	2.0%	6.0%	13,894
South	27,070	30,256	9.0%	2.8%	2.8%	27,540
West	10,576	9,634	8.0%	2.6%	5.5%	8,864
<b>Australia</b>	<b>52,412</b>	<b>55,468</b>	<b>9.3%</b>	<b>2.6%</b>	<b>4.2%</b>	<b>50,298</b>

Actual and % Changes in the Progressive Offerings from Last Year	
+21,757	+9.1%
+23,978	+5.8%
+19,725	+12.2%
<b>+65,460</b>	<b>+8.0%</b>

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 25	Week 26	Week 27	Differences
North	No Sale	No Sale	No Sale	
South	No Sale	No Sale	No Sale	
West	No Sale	No Sale	No Sale	
<b>New Zealand</b>				
<b>Australia</b>				
<b>Differences</b>				

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	74.97	-0.38	-0.06	+0.40	-0.01	-0.71	-0.76 (-1.0%)	74.21	73.75	77.11
Euro	69.58	+0.73	+0.30	-0.14	-0.03	+0.15	+1.01 (+1.5%)	70.59	66.40	70.59

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to October	
	October 2016	July to October This Season	July to October Last Season	By Weight	By Value
China	77.2%	75.8%	73.4%	+10.3%	+12.0%
India	8.0%	7.5%	8.9%	-10.0%	-3.0%
Italy	4.8%	5.6%	6.0%	-0.4%	+9.2%
Czech Republic	4.4%	5.1%	4.0%	+36.0%	+43.4%
Malaysia	0.6%	0.8%	1.5%	-45.2%	-53.4%
Korea	1.2%	1.4%	1.7%	-12.4%	-15.3%
Taiwan	0.4%	0.8%	0.9%	-11.4%	-6.2%
Egypt	1.0%	1.0%	1.3%	-19.0%	-14.7%
<b>Change all Countries</b>				<b>+6.8%</b>	<b>+8.5%</b>



AVERAGE EMI	
This Year	1318
Last Year	1254
2014/15	1102
2013/14	1070
2012/13	1035

SEASON AVERAGES		
Region	This Year	Diff
North	1356	+76
South	1294	+56
West	1392	+84

THIS YEAR'S EMI	
This Week	1355
First Week	1320
Low (26/10)	1287
High (20/10)	1378

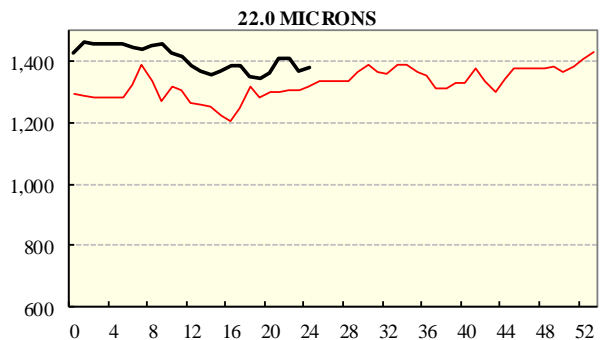
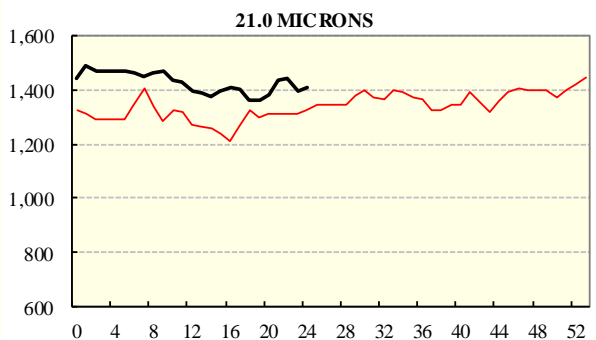
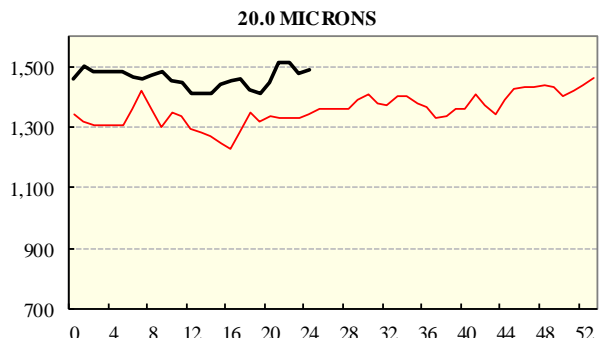
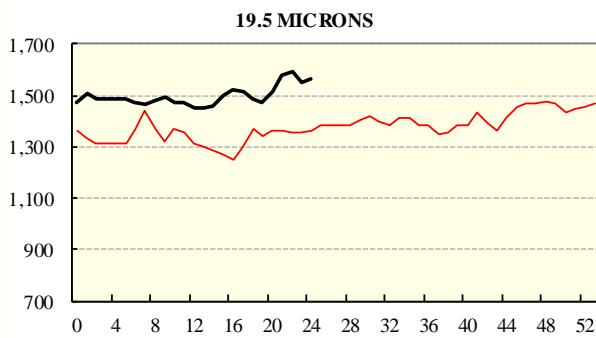
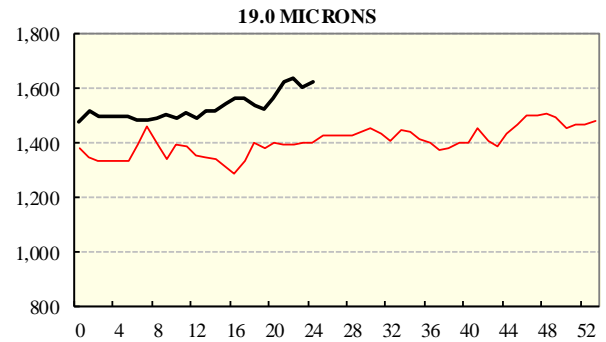
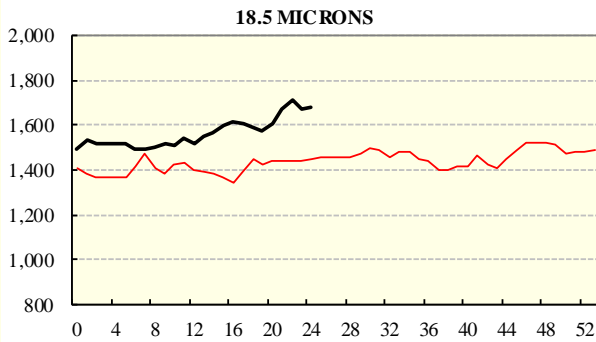
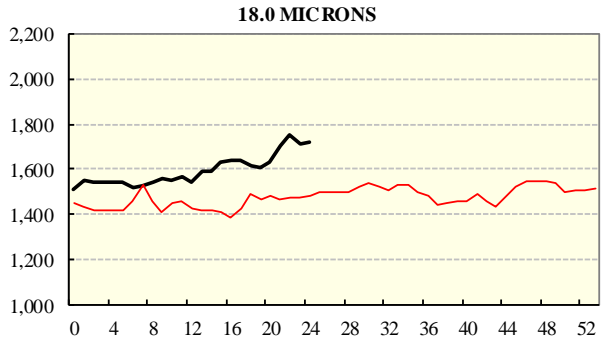
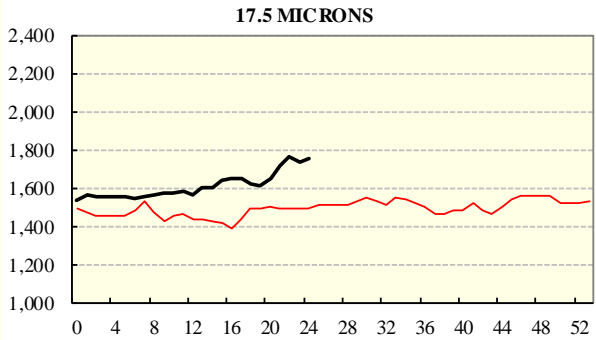
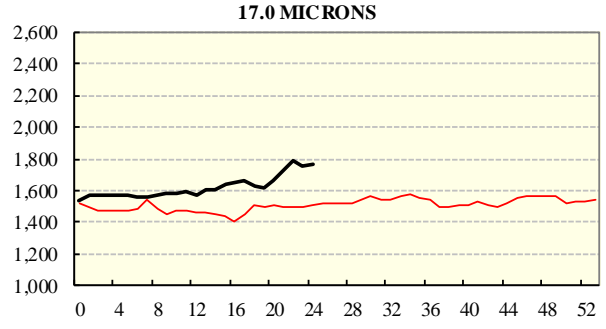
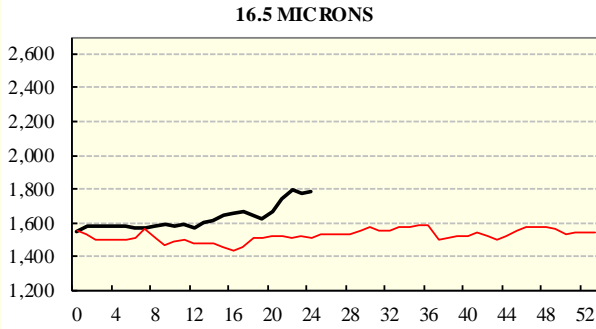
COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1412	+75
South	1318	+17
West	1421	+2

BALES OFFERED	
This Year	878,742
Last Year	813,282
Difference	+65,460
% Diff	+8.0%
FIRST OFFERED BALES	
Difference	+8.4%
% of Offering	95.8%

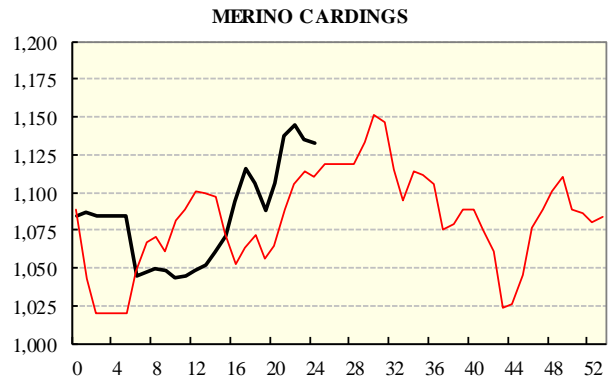
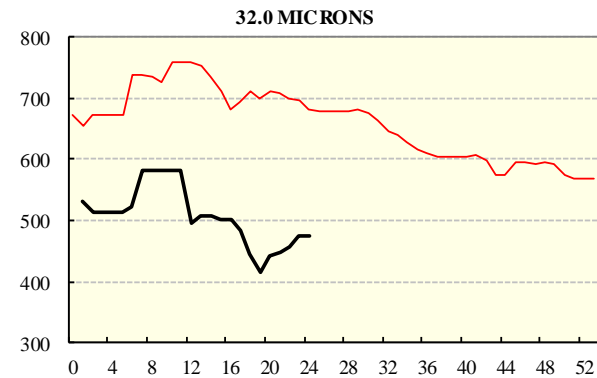
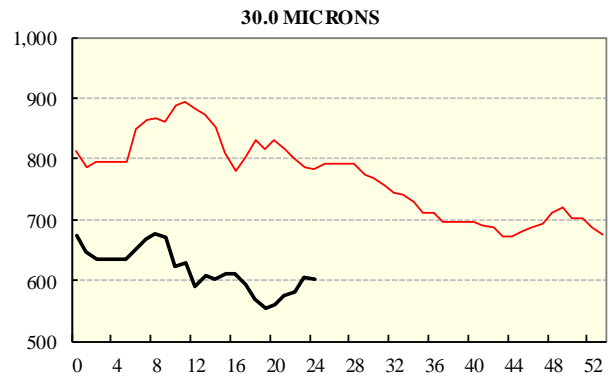
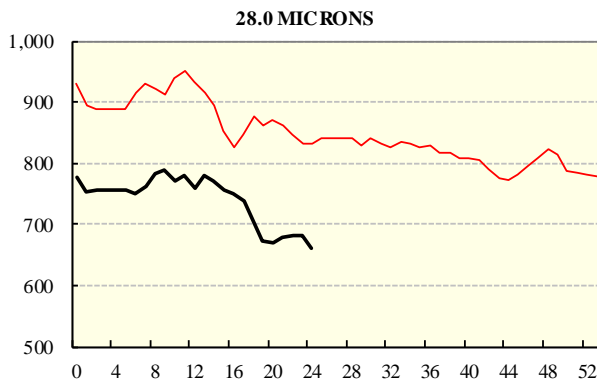
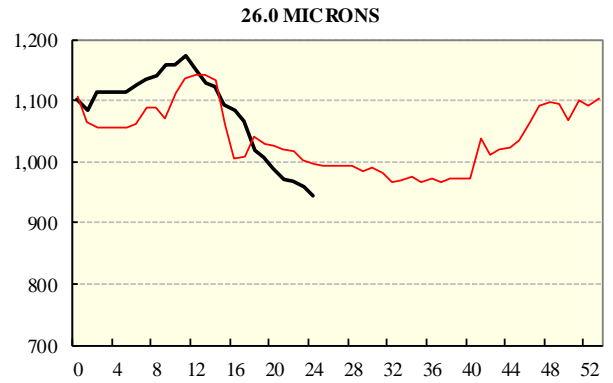
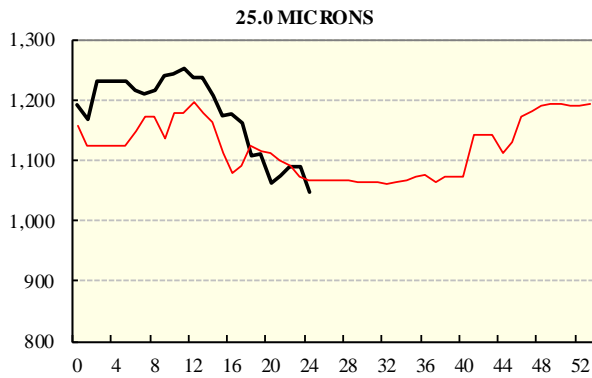
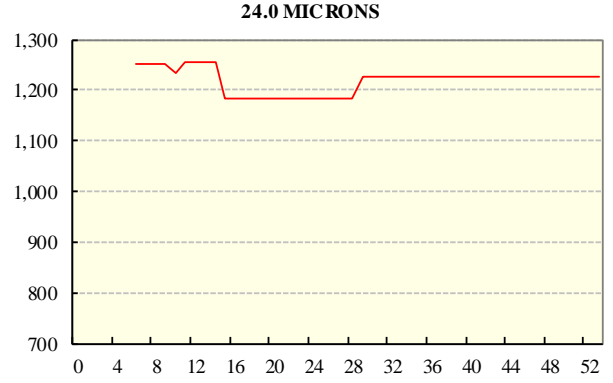
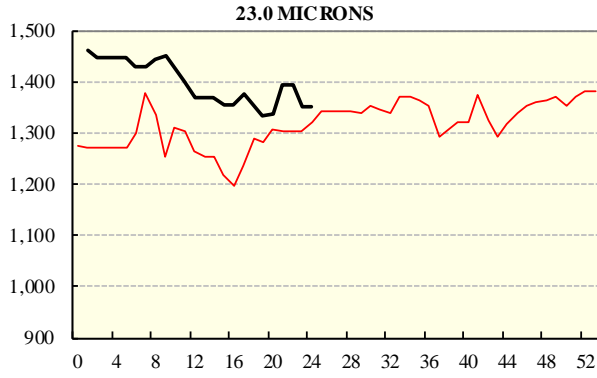
REGION BALES		
This Sale:		
North	15,578	
South	30,256	
West	9,634	
Progressive Totals:		
North	259,539	+9.1%
South	438,454	+5.8%
West	180,749	+12.2%

# AVERAGE AWEX MICRON PRICE GUIDES

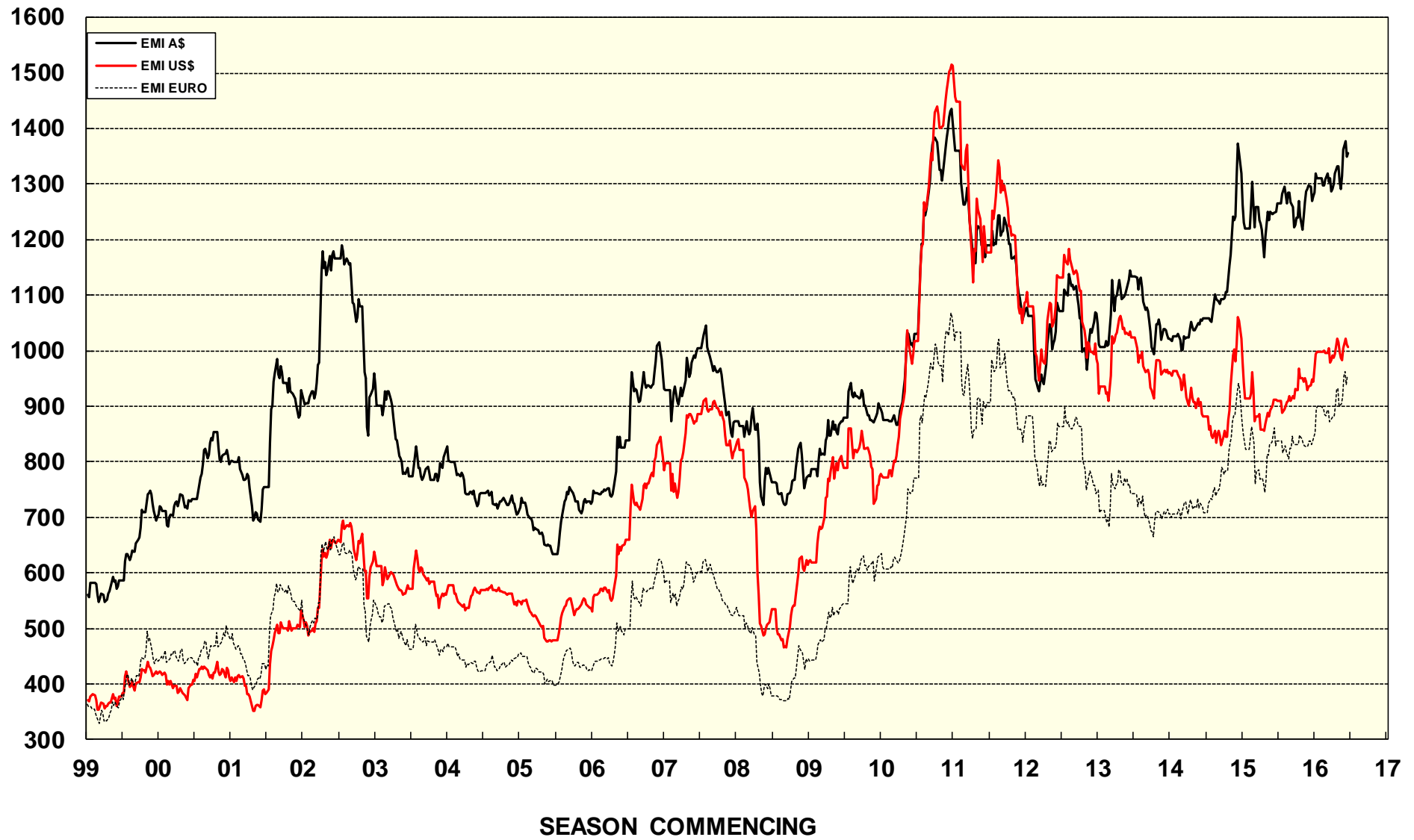
2016/17 (black graph line) and 2015/16 (red graph line)



**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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