

# AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

Unit 9, 42 - 46 Vella Drive  
Sunshine West Vic 3020  
Australia  
Tel: 03 9311 0103  
Fax: 03 9311 0138



Email: awis@woolindustries.org  
Web: www.woolindustries.org  
ABN: 30 454 304 967  
Reg No: A0041776E

## AWIS WOOL MARKET REVIEW

Week Ending 20 January 2017 (Week 29)

The AWEX EMI finished another 12¢ higher (+0.8%) in Australian currency and 18¢ higher (+1.7%) in US currency at sales in Sydney, Melbourne and Fremantle this week.

56,077 bales were on offer nationally in the largest sale of the season, compared with 51,379 bales last sale. 10.5% of the offering was passed in. The high pass-in rate was driven by the easier prices for the medium Merinos and the crossbreds.

AWEX reports that the value of the wool sold was \$83.1 million (\$1,656 per bale).

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 29)									
Centre	Last Sale		Day-to-Day Changes (Week 29)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	28	1422	+9	+8	-5	+12 (+0.8%)	1434	+18	+13
Northern	28	1490	No Sale	+19	-3	+16 (+1.1%)	1506	+21	+16
Southern	28	1377	+16	0	-6	+10 (+0.7%)	1387	+15	+11
Western	28	1498	No Sale	-7	-15	-22 (-1.5%)	1476	-8	-12

The wool market was again dominated by large upward movements at the fine end and the setting of record (or near record) prices for some wools, before prices eased on Thursday.

The average AWEX MPGs for 16.5 to 17.5 microns moved up by another 4.1% on top of the 8.2% increase last week. The difference between the closing 16.5 and 22 MPGs in the North moved from 525¢ last week to 609¢.

The size of the price increases became smaller as the Fibre Diameter increased and switched to falls at 20 microns. Merino skirtings followed the fleece wool. Oddments had a good week, with the Merino Cardings Price Guide adding another 8¢ to last week's record price of 1166¢. Fine crossbreds were relatively unchanged, but coarse crossbreds continued to move downwards.

The Merino fleece wool share of the offering moved up to 54% from last week's low of 48%.

The US Exchange Rate finished 0.60¢ (0.8%) higher to close at 75.22¢ on Thursday.

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

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	432¢	505¢	562¢	590¢	609¢
South	No 22.0µ MPG	No 22.0µ MPG	No 22.0µ MPG	No 22.0µ MPG	No 22.0µ MPG

Market Indicator	Changes From			
	Four Sales Ago Week 22	Start of the Season	Week 29 Last Year	Season Average to Week 29 Last Year
Eastern Market Indicator	+56 (+4.1%)	+118 (+9.0%)	+152 (+11.9%)	+87 (+7.0%)
Western Market Indicator	+32 (+2.2%)	+57 (+4.0%)	+126 (+9.3%)	+121 (+9.5%)

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
<b>Since Last Sale</b>												
Change ¢	+84	+72	+84	+53	+40	+16	-5	-15	-22	-31		
Change %	+4.3%	+3.7%	+4.4%	+2.9%	+2.2%	+0.9%	-0.3%	-0.9%	-1.5%	-2.1%		
<b>Since Start of the Season</b>												
Change ¢	+444	+423	+409	+356	+309	+230	+160	+78	-18	-44		
Change %	+28.1%	+26.9%	+26.2%	+23.0%	+20.3%	+15.2%	+10.7%	+5.2%	-1.2%	-3.0%		
<b>Since Same Week Last Year</b>												
Change ¢	+471	+450	+437	+383	+357	+297	+255	+181	+85	+50		
Change %	+30.3%	+29.2%	+28.5%	+25.2%	+24.2%	+20.6%	+18.1%	+13.0%	+6.2%	+3.7%		

Sale-to-Sale Changes in Other Average AWEX Price Guides						
Micron	25.0	26.0	28.0	30.0	32.0	MC <sup>#</sup>
<b>Since Last Sale</b>						
Change ¢	0	-8	+2	-11	-38	+8
Change %	0.0%	-0.9%	+0.3%	-1.9%	-8.2%	+0.7%
<b>Since Start of the Season</b>						
Change ¢	-148	-168	-90	-78	-95	+88
Change %	-12.3%	-15.3%	-11.9%	-12.2%	-18.2%	+8.1%
<b>Since Same Week Last Year</b>						
Change ¢	-14	-51	-165	-212	-254	+41
Change %	-1.3%	-5.2%	-19.9%	-27.4%	-37.2%	+3.6%

# 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 November ABS export data.

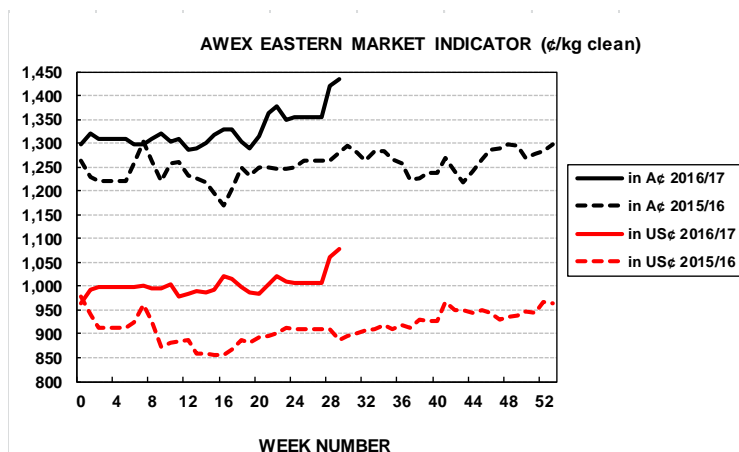
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re-Offered	Bales Sold
North	14,055	15,590	6.9%	1.3%	3.9%	14,516
South	25,326	27,205	11.0%	1.9%	6.9%	24,205
West	11,998	13,282	13.6%	0.8%	8.3%	11,470
<b>Australia</b>	<b>51,379</b>	<b>56,077</b>	<b>10.5%</b>	<b>1.4%</b>	<b>6.4%</b>	<b>50,191</b>

Actual and % Changes in the Progressive Offerings from Last Year	
+26,426	+10.1%
+26,879	+5.8%
+23,450	+12.8%
<b>+76,755</b>	<b>+8.4%</b>

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 30	Week 31	Week 32	Differences
North	11,237	11,350	12,230	<b>-17.0%</b>
South	26,785	21,445	22,800	<b>-6.7%</b>
West	9,137	9,750	8,950	<b>-13.2%</b>
<b>New Zealand</b>				
<b>Australia</b>	<b>47,159</b>	<b>42,545</b>	<b>43,980</b>	<b>-10.9%</b>
<b>Differences</b>	<b>-21.1%</b>	<b>-6.4%</b>	<b>-2.1%</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	74.62	+0.23	-0.09	+0.24	+0.52	-0.30	+0.60 (+0.8%)	75.22	73.75	77.11
Euro	70.40	+0.09	-0.05	+0.04	+0.11	+0.10	+0.29 (+0.4%)	70.69	66.40	70.69

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to November	
	November 2016	July to November This Season	July to November Last Season	By Weight	By Value
China	84.3%	77.8%	72.5%	+17.9%	+20.9%
India	5.7%	7.1%	8.5%	-8.1%	-0.7%
Italy	2.3%	4.8%	6.0%	-11.7%	-4.3%
Czech Republic	2.6%	4.5%	5.2%	-4.1%	+1.3%
Malaysia	1.1%	0.8%	1.5%	-38.4%	-46.1%
Korea	1.4%	1.4%	1.7%	-8.0%	-10.7%
Taiwan	0.9%	0.8%	1.0%	-8.4%	-4.1%
Egypt	0.6%	0.9%	1.3%	-23.2%	-16.7%
<b>Change all Countries</b>				<b>+9.9%</b>	<b>+12.3%</b>



AVERAGE EMI	
This Year	1328
Last Year	1254
2014/15	1102
2013/14	1070
2012/13	1035

SEASON AVERAGES		
Region	This Year	Diff
North	1368	+89
South	1301	+63
West	1401	+92

THIS YEAR'S EMI	
This Week	1434
First Week	1320
Low (23/09)	1287
High (20/01)	1434

COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1506	+169
South	1387	+86
West	1476	+57

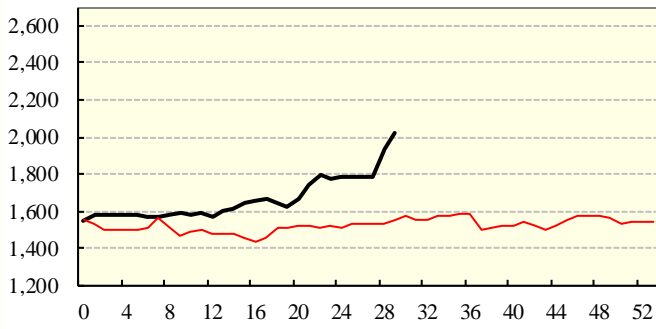
BALES OFFERED	
This Year	986,097
Last Year	909,342
Difference	+76,755
% Diff	+8.4%
FIRST OFFERED BALES	
Difference	+8.5%
% of Offering	95.6%

REGION BALES		
This Sale:		
North	15,590	
South	27,205	
West	13,282	
Progressive Totals:		
North	289,083	+10.1%
South	490,985	+5.8%
West	206,029	+12.8%

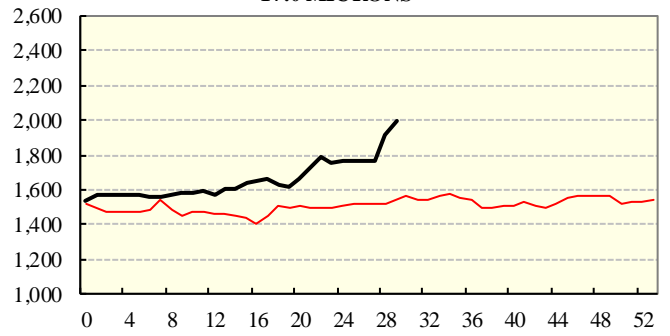
# AVERAGE AWEX MICRON PRICE GUIDES

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

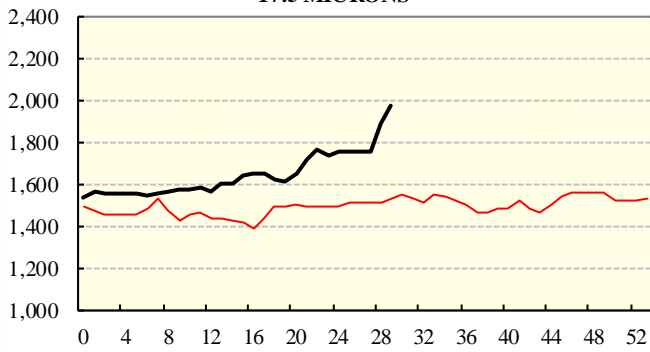
### 16.5 MICRONS



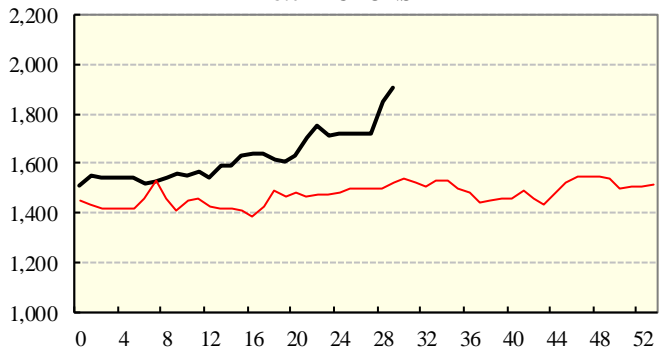
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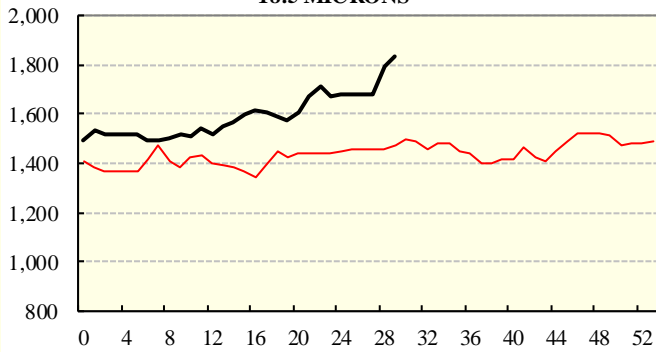
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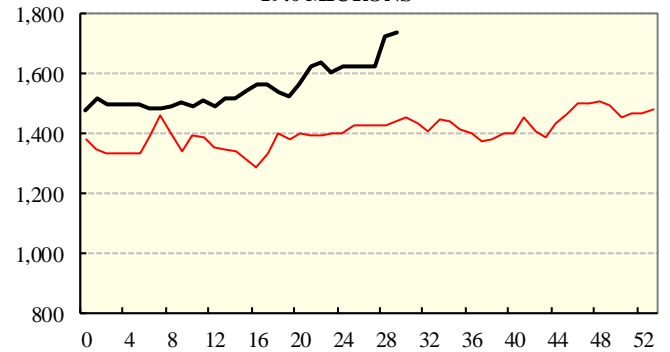
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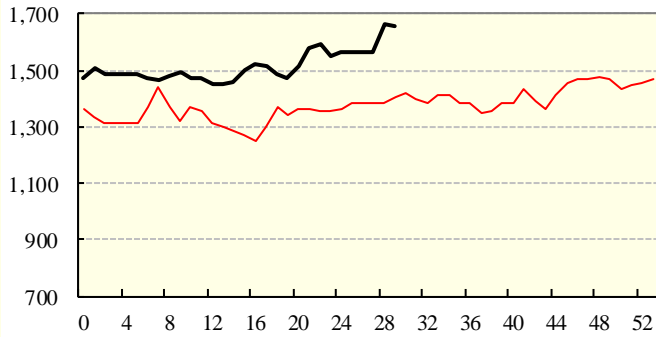
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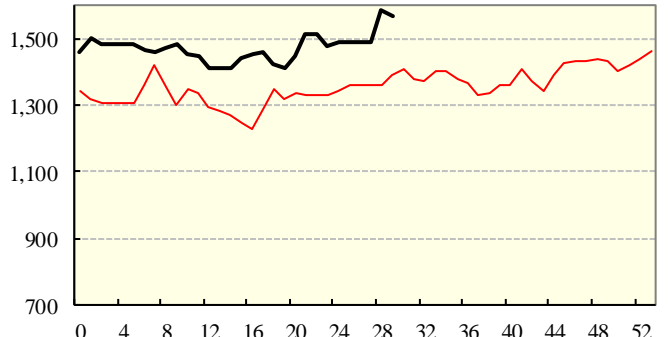
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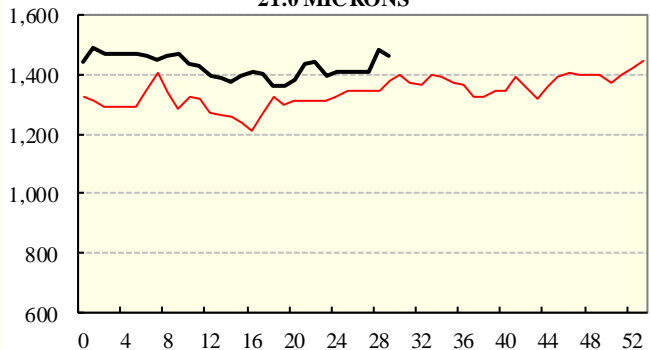
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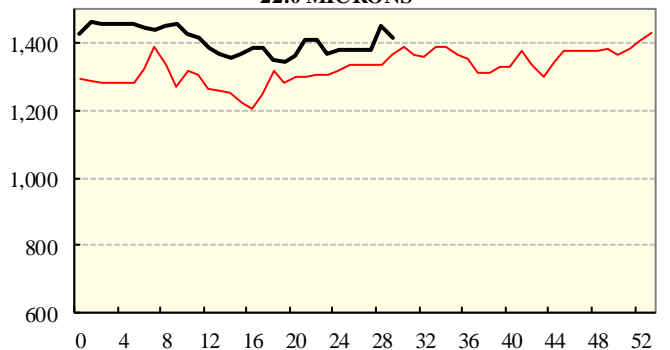
### 20.0 MICRONS



### 21.0 MICRONS

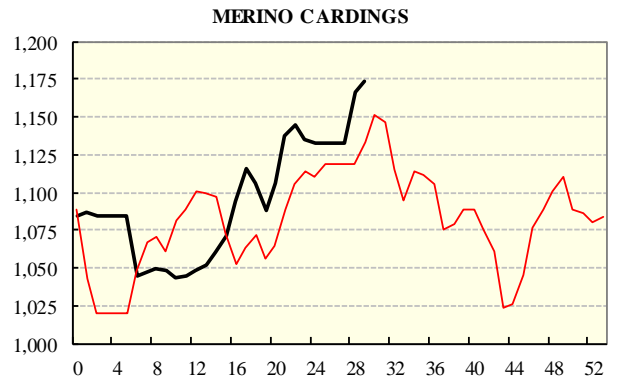
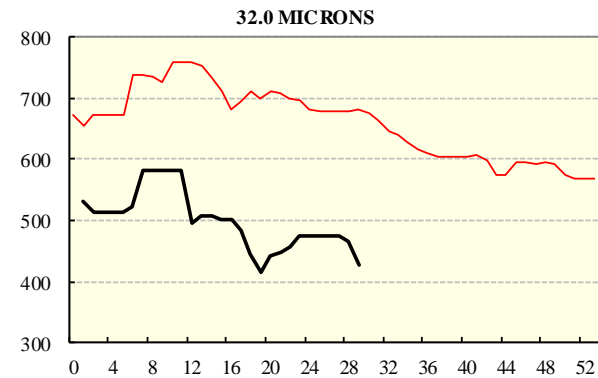
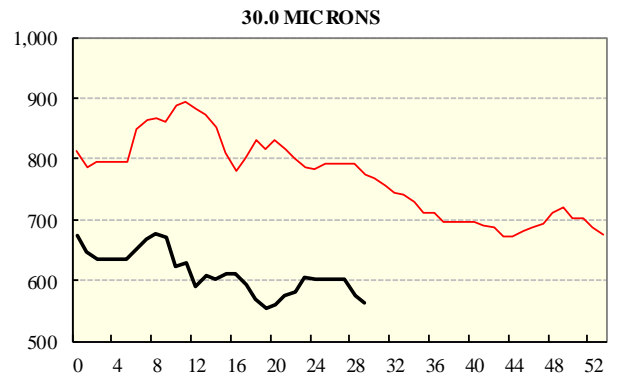
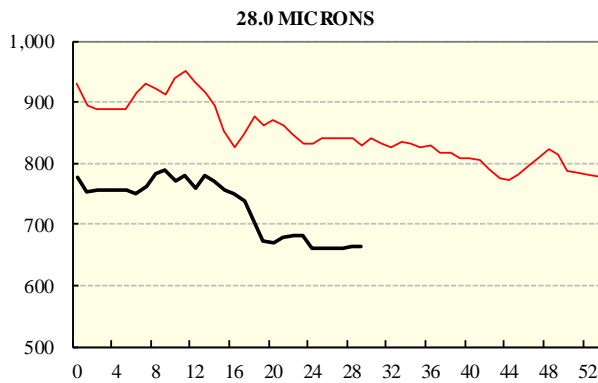
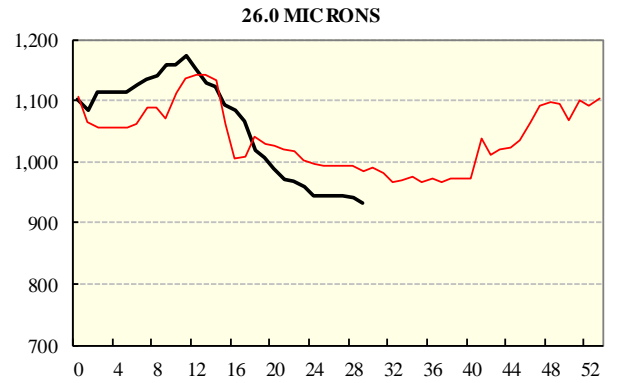
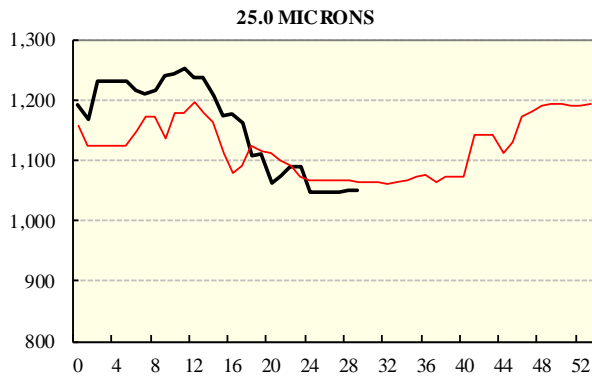
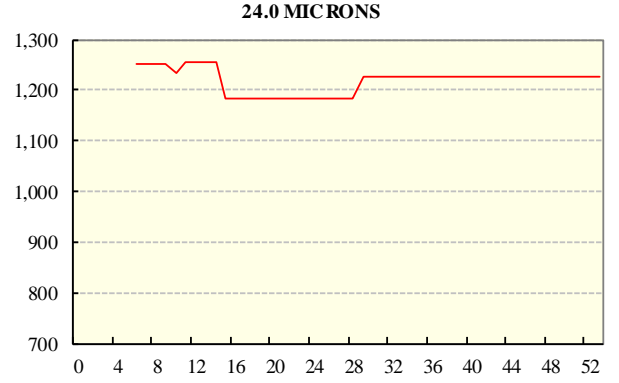
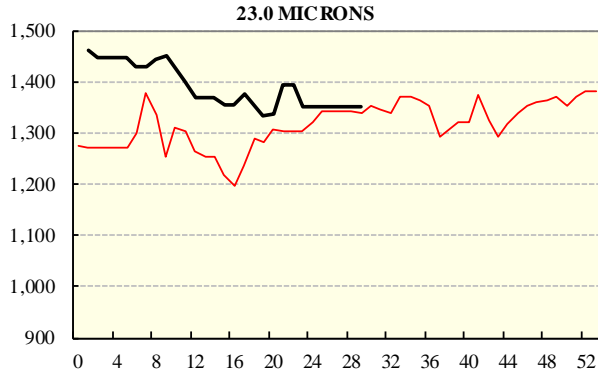


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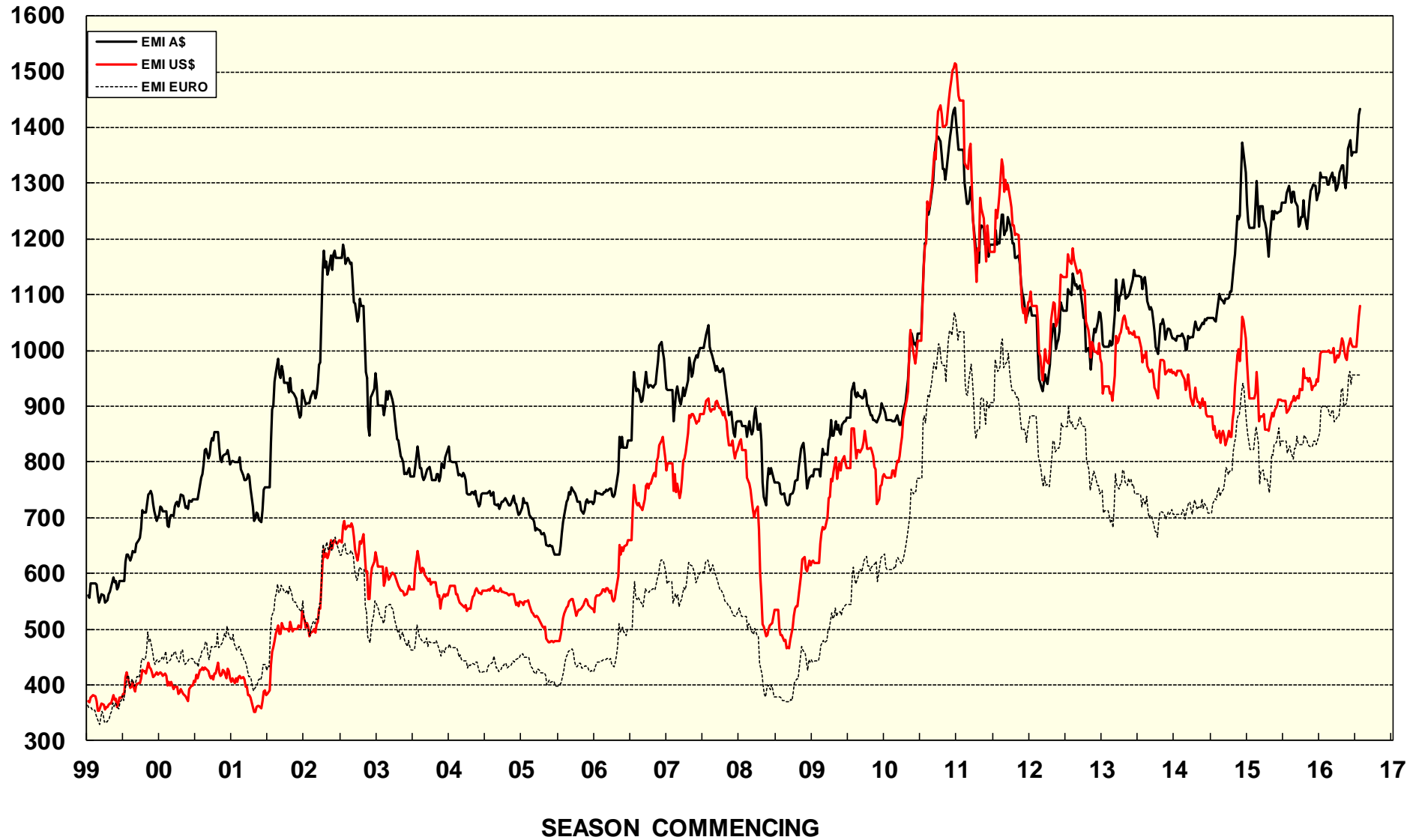


# AVERAGE AWEX MICRON PRICE GUIDES

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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For further information

Peter Morgan

03 9311 0103