

# AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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## AWIS WOOL MARKET REVIEW

Week Ending 20 May 2016 (Week 47)

The AWEX EMI finished 4¢ higher (+0.3%) in Australian currency and 15¢ lower (-1.6%) in US currency at sales in Sydney, Melbourne and Fremantle this week.

Rising prices over the three previous sales flushed out some additional wool, taking this week's offering to 42,318 bales compared with 37,066 bales last sale. 6.2% of the offering was passed in.

Centre	Last Sale		Day-to-Day Changes (Week 47)			Sale-to-Sale	Closing	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday	Change	Indicator	US ¢	Euro ¢
Eastern	46	1287	No Sale	+2	+2	4 (0.3%)	1291	-15	+2
Northern	46	1318	No Sale	+2	+2	4 (0.3%)	1322	-16	+1
Southern	46	1268	No Sale	0	+2	2 (0.2%)	1270	-16	0
Western	46	1383	No Sale	-8	0	-8 (-0.6%)	1375	-25	-6

The market was not as strong this week, easing in US currency, but being boosted in Australian currency by a further 1.9% fall in the US Exchange Rate. The US Exchange Rate has now fallen by 6.19¢ (-7.9%) since Week 43.

The market started with small or zero changes in the individual Merino AWEX MPGs on Wednesday, but finished on a weaker note in the West. Thursday was much the same as Wednesday for the Merino types, but with the pattern in the West similar to that in the North and the South. Merino skirtings generally had a good week.

Crossbreds had a mixed week, with changes in their average AWEX MPGs ranging from +26¢ at 26 microns to -1¢ at 32 microns. It was another good week for oddments. The average Merino Cardings Price Guide picked up another 12¢ to take its increase over the last three sales to 62¢.

The US Exchange Rate finished 1.42¢ (-1.9%) lower to close at 71.93¢ on Thursday. Much of the easing occurred on Wednesday and Thursday, which financial analysts attributed to the release of news of weak wages growth in Australia and to speculation (again) that the United States will raise interest rates next month.

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

The expected offering comes back to 29,900 in the coming week as there is no sale in Fremantle.

	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	148¢	169¢	189¢	197¢	214¢
South	133¢	158¢	172¢	179¢	182¢

Market Indicator	Changes From			
	Four Sales Ago Week 43	Start of the Season	Week 47 Last Year	Season Average to Week 47 Last Year
Eastern Market Indicator	+74 (+6.1%)	+65 (+5.3%)	+49 (+3.9%)	+176 (+16.4%)
Western Market Indicator	+97 (+7.6%)	+122 (+9.7%)	+89 (+6.9%)	+191 (+17.2%)

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
Since Last Sale												
Change ¢		+2	-4	-2	-4	-1	0	0	-7	-3	+7	
Change %		+0.1%	-0.3%	-0.1%	-0.3%	-0.1%	0.0%	0.0%	-0.5%	-0.2%	+0.5%	
Since Start of the Season												
Change ¢		+61	+85	+96	+118	+145	+161	+149	+123	+94	+93	+89
Change %		+4.0%	+5.7%	+6.5%	+8.3%	+10.6%	+12.0%	+11.3%	+9.4%	+7.2%	+7.3%	+7.0%
Since Same Week Last Year												
Change ¢		+60	+87	+95	+101	+111	+116	+114	+100	+89	+113	+130
Change %		+3.9%	+5.9%	+6.5%	+7.0%	+7.9%	+8.4%	+8.4%	+7.5%	+6.8%	+9.0%	+10.6%

Micron	25.0	26.0	28.0	30.0	32.0	MC <sup>#</sup>	
Since Last Sale							
Change ¢		+8	+26	+12	+6	-1	+12
Change %		+0.7%	+2.4%	+1.5%	+0.9%	-0.2%	+1.1%
Since Start of the Season							
Change ¢		+57	+30	-84	-98	-71	+56
Change %		+5.1%	+2.8%	-9.4%	-12.4%	-10.7%	+5.4%
Since Same Week Last Year							
Change ¢		+83	+64	-85	-135	-122	+23
Change %		+7.6%	+6.2%	-9.5%	-16.3%	-17.1%	+2.2%

# Average Merino Cardings Price Guide

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## AWIS WOOL MARKET REVIEW Week Ending 20 May 2016 (Week 47)

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.

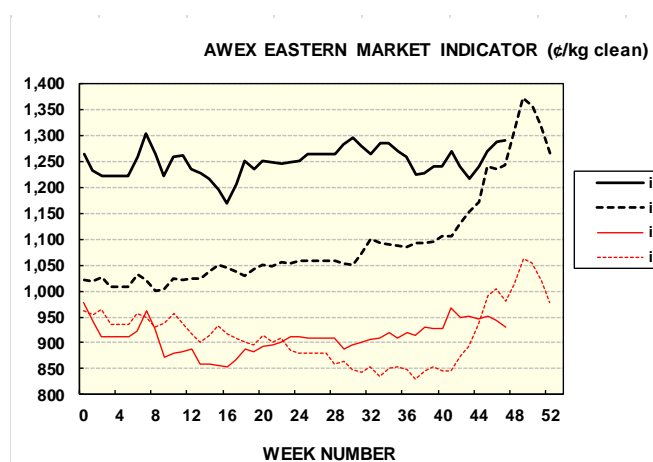
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re-Offered	Bales Sold
North	9,355	11,493	4.8%	1.8%	7.0%	10,938
South	19,004	21,150	5.6%	2.3%	6.5%	19,968
West	8,707	9,675	9.2%	1.8%	10.3%	8,786
<b>Australia</b>	<b>37,066</b>	<b>42,318</b>	<b>6.2%</b>	<b>2.1%</b>	<b>7.5%</b>	<b>39,692</b>

Actual and % Changes in the Progressive Offerings from Last Year	
-46,473	-9.2%
-95,576	-10.4%
-15,657	-4.3%
<b>-157,706</b>	<b>-8.8%</b>

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 48	Week 49	Week 50	Differences
North	11,281	11,280	9,435	<b>-6.6%</b>
South	18,659	20,745	16,134	<b>+12.0%</b>
West	No Sale	7,059	No Sale	<b>-51.0%</b>
<b>New Zealand</b>				
<b>Australia</b>	<b>29,940</b>	<b>39,084</b>	<b>25,569</b>	<b>-3.8%</b>
<b>Differences</b>	<b>-20.6%</b>	<b>+52.4%</b>	<b>-26.8%</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	73.35	-0.35	-0.21	+0.69	-0.69	-0.86	-1.42 (-1.9%)	71.93	69.05	78.12
Euro	64.24	-0.06	+0.19	+0.57	-0.43	-0.33	-0.06 (-0.1%)	64.18	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%
<b>Change all Countries</b>				<b>-9.0%</b>



AVERAGE EMI	
This Year	1250
Last Year	1102
2013/14	1070
2012/13	1035
2011/12	1198

SEASON AVERAGES		
Region	This Year	Diff
North	1275	150
South	1233	146
West	1303	174

THIS YEAR'S EMI	
This Week	1291
First Week	1231
Low (13/03/0)	1169
High (13/03/0)	1304

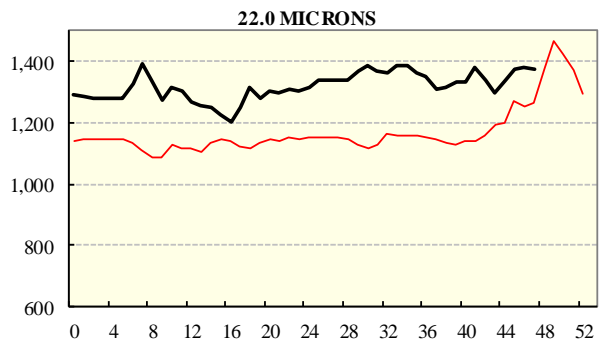
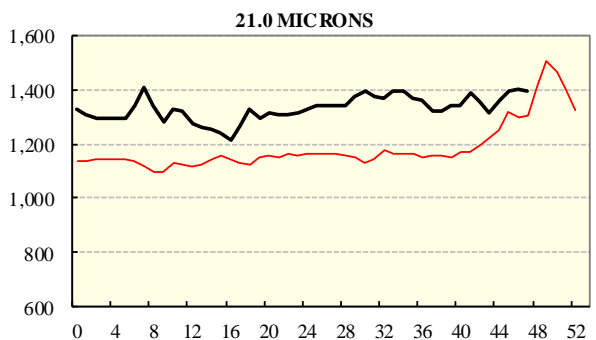
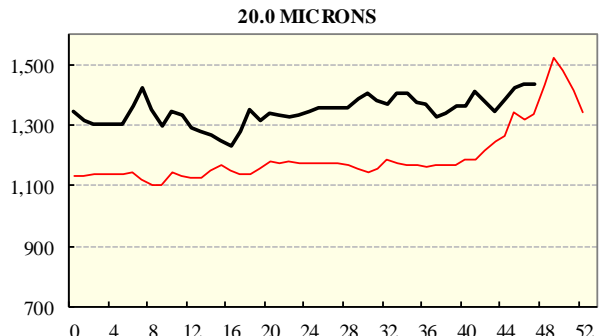
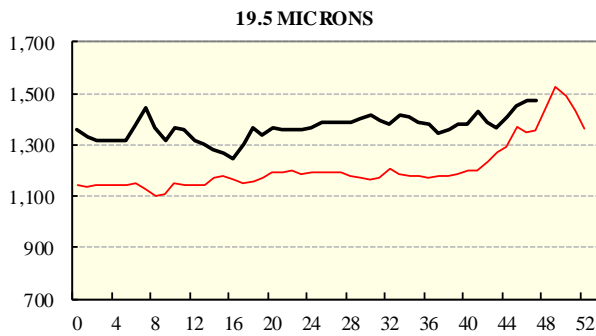
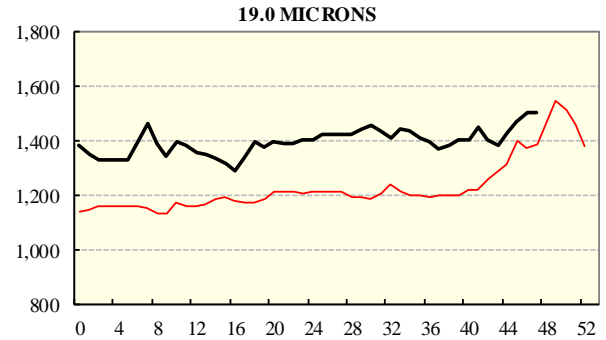
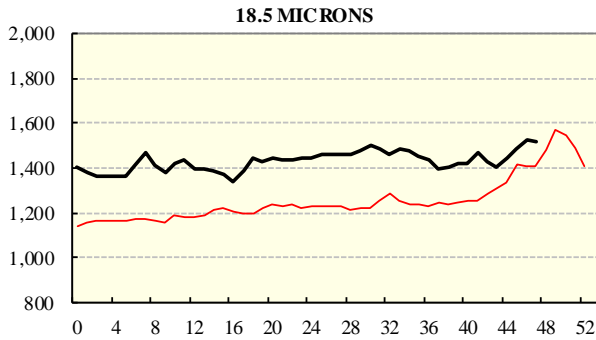
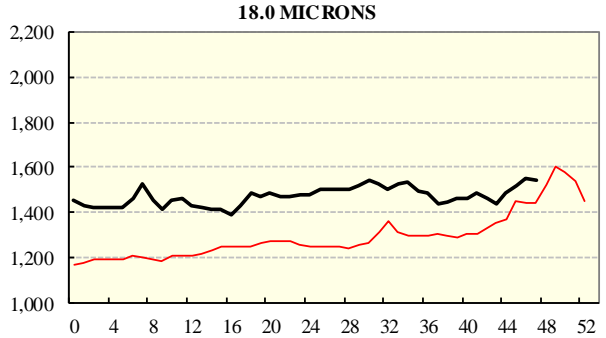
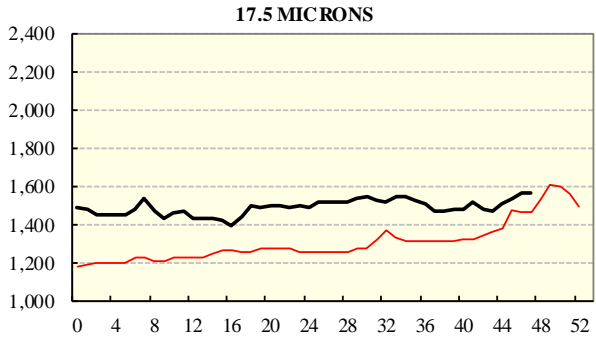
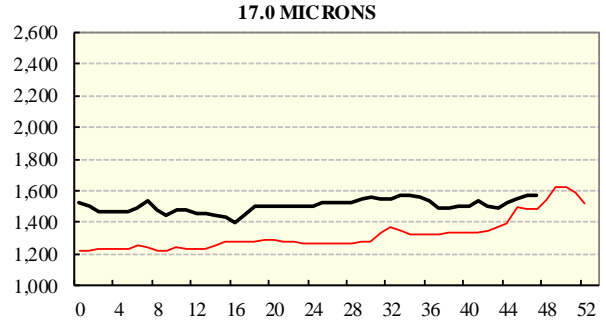
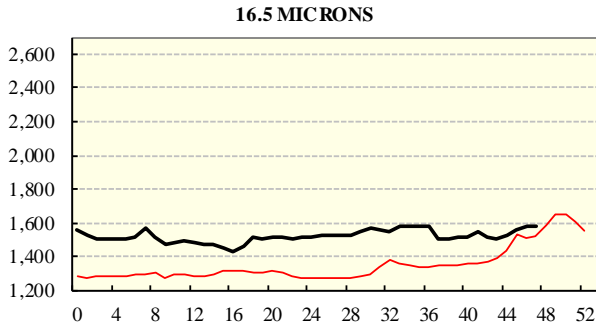
COMPARED WITH WEEK 1		
Region	This Week	Diff
North	1322	72
South	1270	51
West (Wk)	1375	124

BALES OFFERED	
This Year	1,630,092
Last Year	1,787,798
Difference	-157,706
% Diff	-8.8%
FIRST OFFERED BALES	
Difference	-8.0%
% of Offering	94.5%

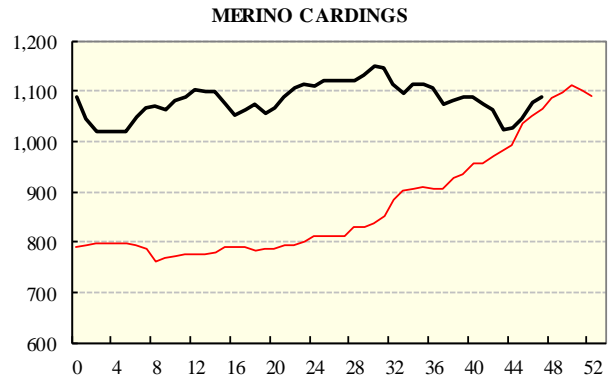
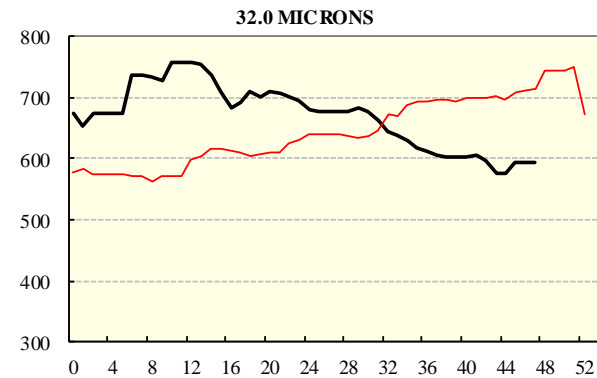
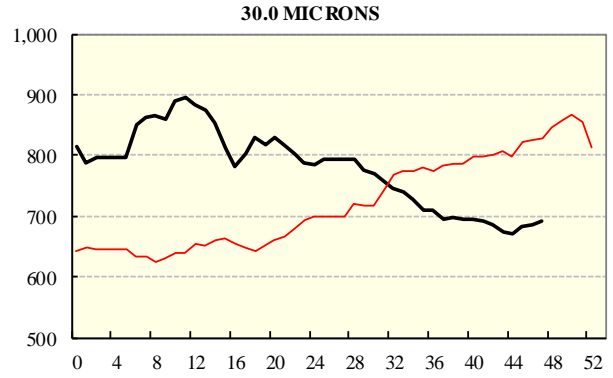
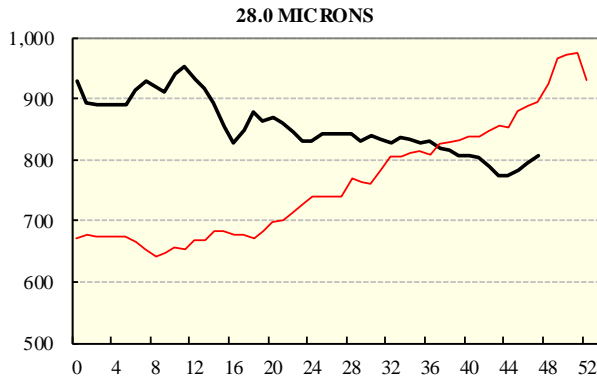
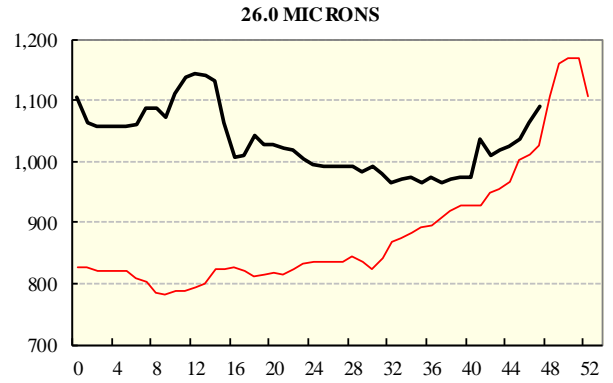
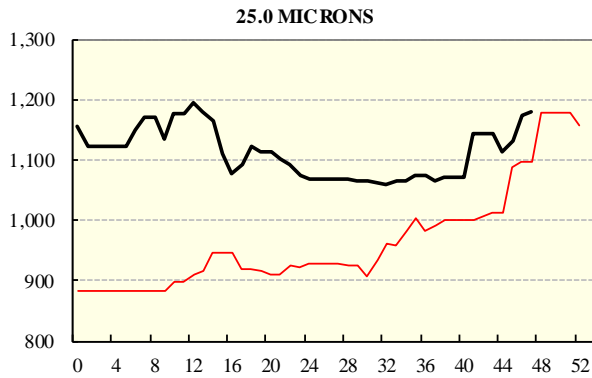
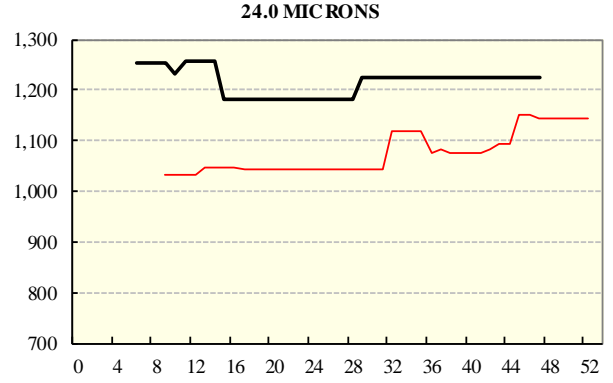
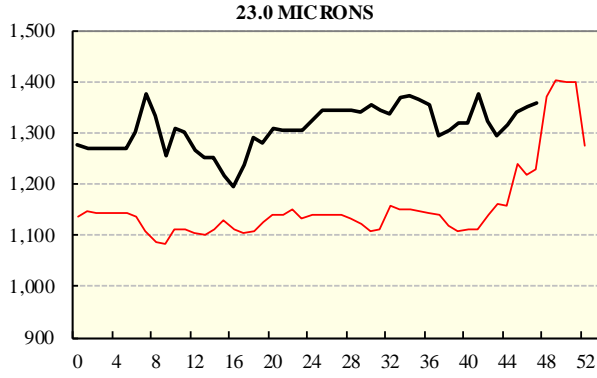
REGION BALES		
This Sale:		
North	11,493	
South	21,150	
West	9,675	
Progressive Totals:		
North	456,715	-9.2%
South	827,704	-10.4%
West	345,673	-4.3%

# AVERAGE AWEX MICRON PRICE GUIDES

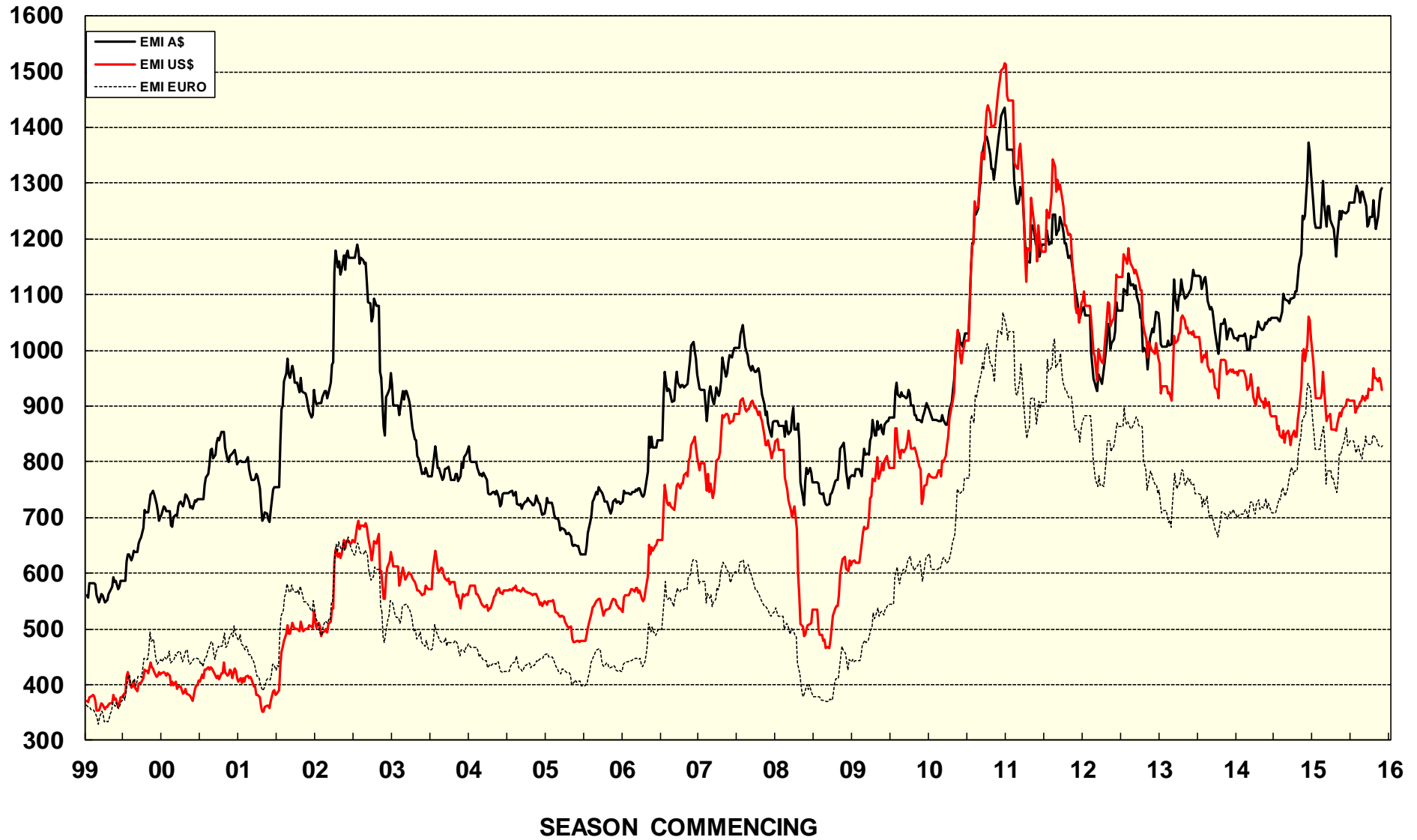
2015/16 (black graph line) and 2014/15 (red graph line)



**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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