

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW

Week Ending 31 March 2017 (Week 39)

The AWEX EMI fell for the first time in nine sales when it finished at 1502¢, 44¢ lower (-2.8%) in Australian currency and 34¢ lower (-2.9%) in US currency at sales in Sydney, Melbourne and Fremantle this week 45,203 bales were on offer nationally, compared with 49,214 bales last sale. 16.4% of the offering (including 21.6% of the Merino Fleece) was passed in.

As usual, the Pass-In rate was strongly influenced by the direction of the market. It was only 2.9% when the EMI reached 1500¢ in an upward direction four sales ago.

AWEX reports that the value of the wool sold was \$62.2 million (\$1,647 per bale).

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 39)									
Centre	Last Sale		Day-to-Day Changes (Week 39)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	38	1546	No Sale	-14	-30	-44 (-2.8%)	1502	-34	-28
Northern	38	1641	No Sale	-19	-35	-54 (-3.3%)	1587	-41	-34
Southern	38	1485	No Sale	-12	-26	-38 (-2.6%)	1447	-29	-23
Western	38	1534	No Sale	-33	-13	-46 (-3.0%)	1488	-35	-29

The easing that commenced on the previous Thursday continued on Wednesday, and accelerated on Thursday. Uniform falls of around 3.5% occurred from 16.5 to 19.5 microns, increasing to around 4.5% from 20 to 22 microns.

However, the season average EMI moved up by 4¢ to 1373¢ (as it must do when the spot EMI is higher), the average price per bale was among its highest values for the season and the difference between the 16.5 and 22 micron AWEX MPGs remained at over 1000¢.

Other wool types were also affected, of which the smallest changes occurred among the crossbreds up to 30 microns and in the Merino cardings. Members of the trade have commented on the number of lots with high VM levels.

The US Exchange Rate was steady during the week, finishing 0.01¢ (0.0%) higher to close at 76.63¢ on Thursday.

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

Looking ahead the offering for the next sale has lifted to 49,400 bales.

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	704¢	825¢	883¢	962¢	1062¢
South	727¢	816¢	886¢	977¢	1050¢

Market Indicator	Changes From			
	Four Sales Ago Week 35	Start of the Season	Week 39 Last Year	Season Average to Week 39 Last Year
Eastern Market Indicator	+2 (+0.1%)	+186 (+14.1%)	+263 (+21.2%)	+126 (+10.1%)
Western Market Indicator	-59 (-3.8%)	+69 (+4.9%)	+179 (+13.7%)	+137 (+10.6%)

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 ¢	-81	-72	-68	-74	-65	-69	-59	-70	-66	-62	-24	
Change %	-3.3%	-3.0%	-3.0%	-3.3%	-3.1%	-3.5%	-3.3%	-4.3%	-4.5%	-4.5%	-1.8%	
Since Start of the Season												
Change ¢	+808	+732	+654	+606	+519	+372	+212	+54	-67	-133	-108	
Change %	+51.1%	+46.6%	+41.8%	+39.2%	+34.1%	+24.7%	+14.1%	+3.6%	-4.5%	-9.1%	-7.4%	
Since Same Week Last Year												
Change ¢	+868	+795	+732	+692	+622	+481	+328	+185	+69	-3	+27	
Change %	+57.1%	+52.8%	+49.3%	+47.4%	+43.8%	+34.4%	+23.7%	+13.6%	+5.1%	-0.2%	+2.0%	

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 ¢	-10	-15	-11	-2	-27	-6
Change %	-0.9%	-1.5%	-1.5%	-0.3%	-6.0%	-0.5%
Since Start of the Season						
Change ¢	-82	-89	-25	-64	-102	+137
Change %	-6.8%	-8.1%	-3.3%	-10.0%	-19.5%	+12.6%
Since Same Week Last Year						
Change ¢		+38	-78	-119	-182	+134
Change %		+3.9%	-9.7%	-17.1%	-30.2%	+12.3%

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 January ABS export data.

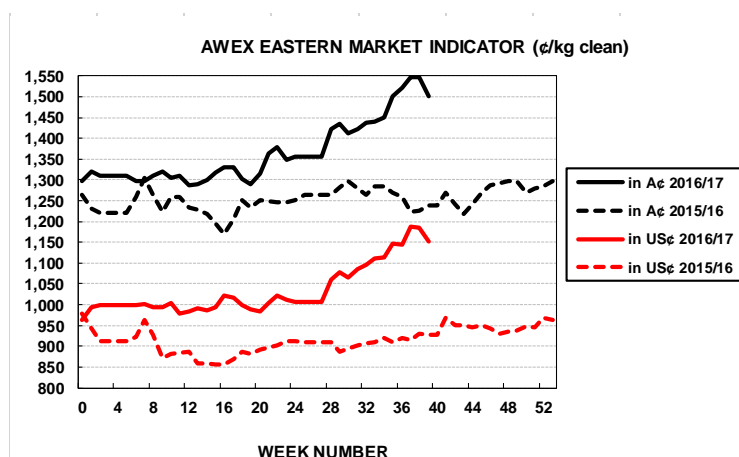
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re-Offered	Bales Sold
North	13,202	10,752	13.0%	0.7%	4.1%	9,357
South	23,401	21,678	12.9%	1.2%	5.6%	18,880
West	12,611	12,773	25.4%	2.3%	3.4%	9,534
Australia	49,214	45,203	16.4%	1.4%	4.6%	37,771

Actual and % Changes in the Progressive Offerings from Last Year	
+28,268	+7.5%
+29,806	+4.4%
+26,527	+9.4%
+84,601	+6.3%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 40	Week 41	Week 42	Differences
North	10,445	11,900	No Sale	-55.2%
South	26,973	20,400	No Sale	-51.9%
West	11,971	9,650	No Sale	-57.8%
New Zealand				
Australia	49,389	41,950		-14.2%
Differences	No Sale	-14.2%		

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	76.62	-0.44	+0.15	-0.18	+0.29	+0.19	+0.01 (+0.0%)	76.63	73.75	77.13
Euro	70.99	-0.22	-0.38	-0.31	+0.59	+0.59	+0.27 (+0.4%)	71.26	66.40	72.77

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to January	
	January 2017	July to January This Season	July to January Last Season	By Weight	By Value
China	85.7%	78.6%	73.4%	+17.0%	+23.3%
India	2.5%	6.2%	7.8%	-13.5%	-6.1%
Italy	2.7%	4.7%	5.6%	-7.4%	+1.1%
Czech Republic	3.7%	4.8%	5.4%	-3.4%	-1.4%
Malaysia	0.6%	0.9%	1.6%	-42.1%	-46.9%
Korea	1.6%	1.4%	1.7%	-4.7%	-7.0%
Taiwan	0.1%	0.7%	0.9%	-15.0%	-11.2%
Egypt	0.7%	0.9%	1.0%	-11.8%	-1.3%
Change all Countries				+9.3%	+14.1%



AVERAGE EMI	
This Year	1373
Last Year	1254
2014/15	1102
2013/14	1070
2012/13	1035

SEASON AVERAGES		
Region	This Year	Diff
North	1426	+147
South	1339	+101
West	1432	+124

THIS YEAR'S EMI	
This Week	1502
First Week	1320
Low (23/09)	1287
High (17/03)	1546

COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1587	+250
South	1447	+146
West	1488	+69

BALES OFFERED	
This Year	1,430,995
Last Year	1,346,394
Difference	+84,601
% Diff	+6.3%
FIRST OFFERED BALES	
Difference	+6.4%
% of Offering	95.3%

REGION BALES		
This Sale:		
North	10,752	
South	21,678	
West	12,773	
Progressive Totals:		Diff
North	407,480	+7.5%
South	714,624	+4.4%
West	308,891	+9.4%

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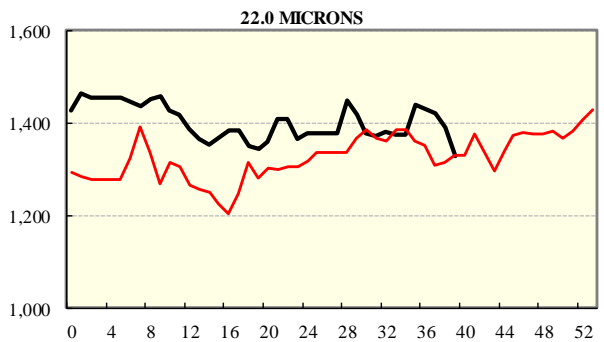
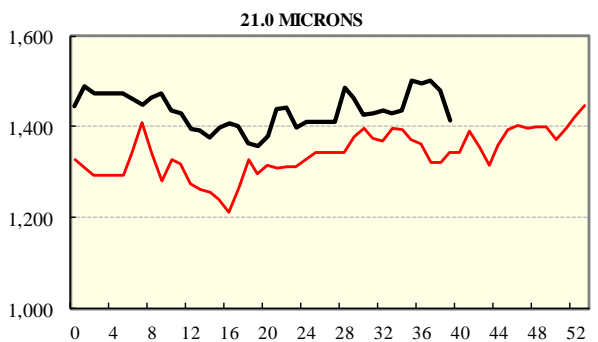
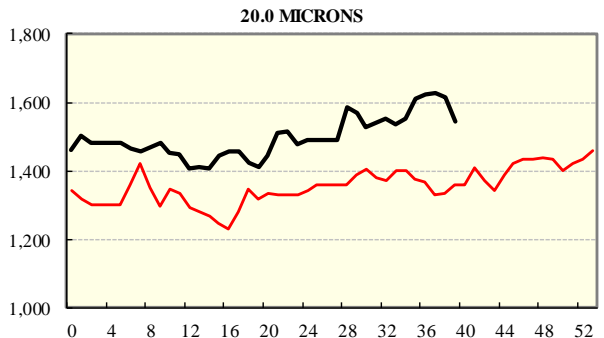
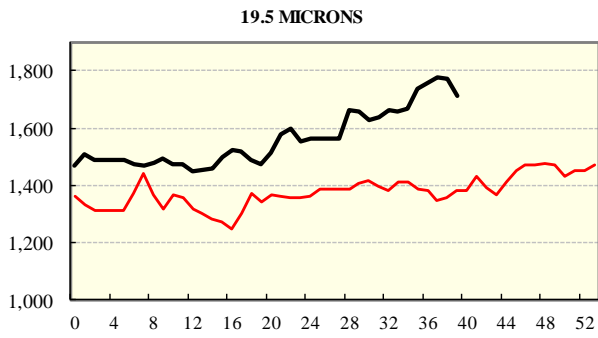
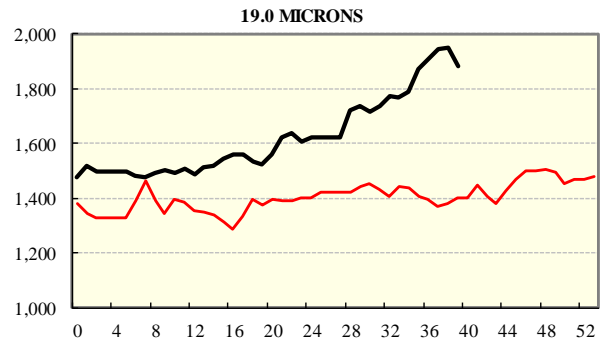
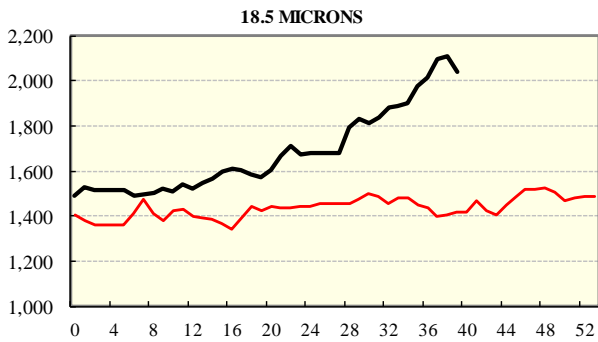
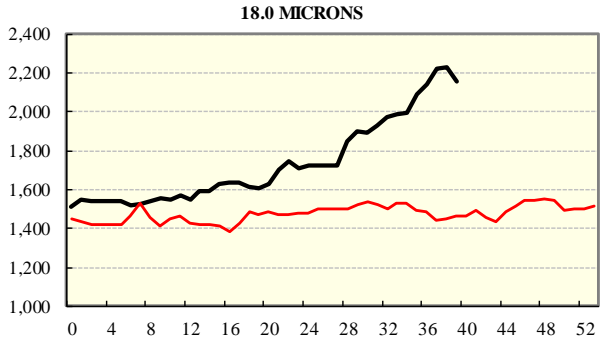
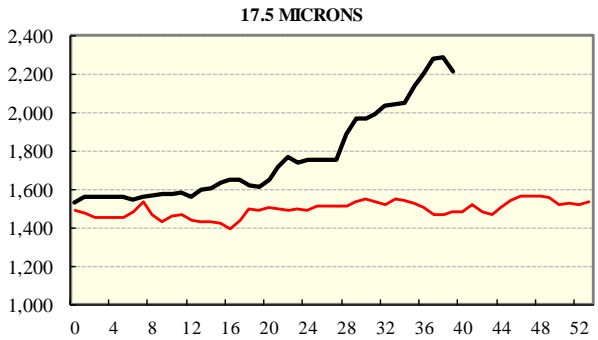
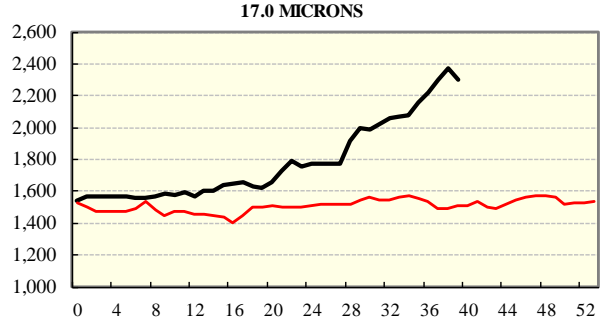
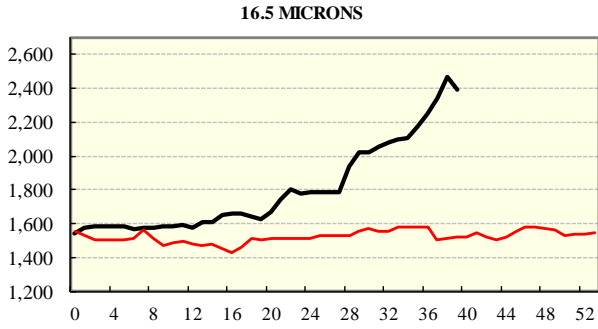
For further information

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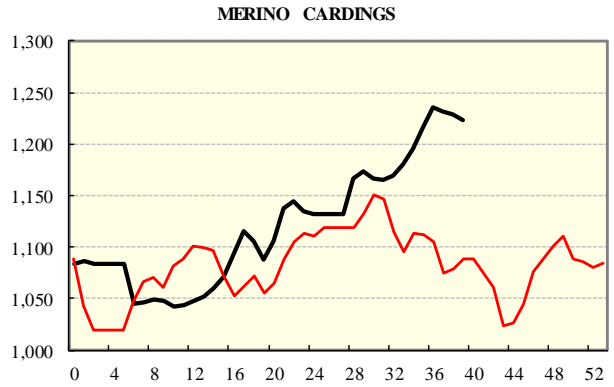
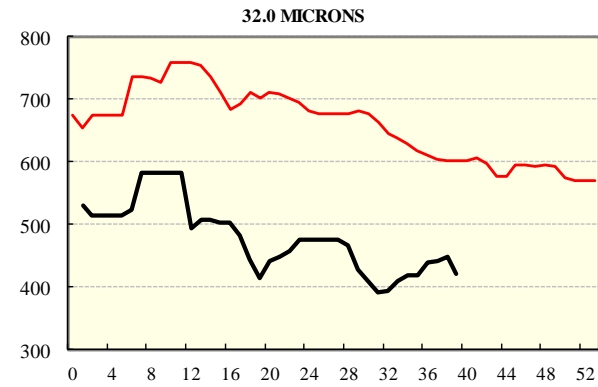
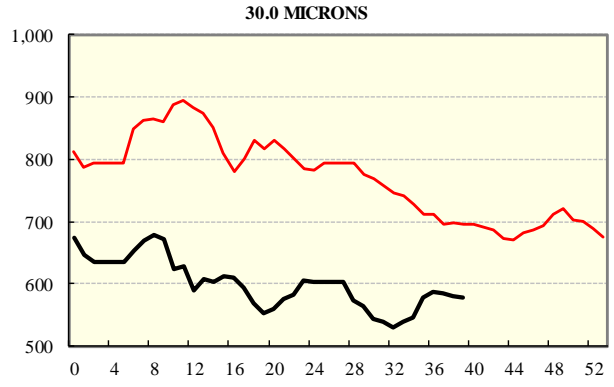
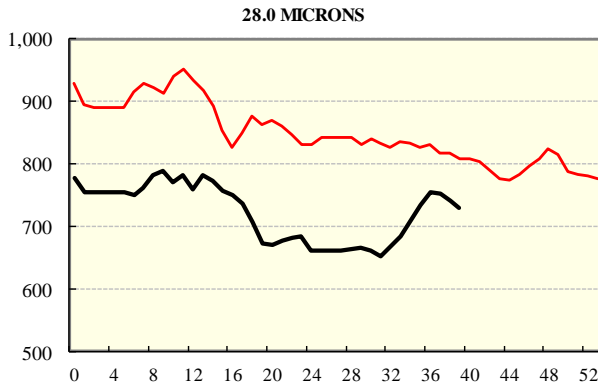
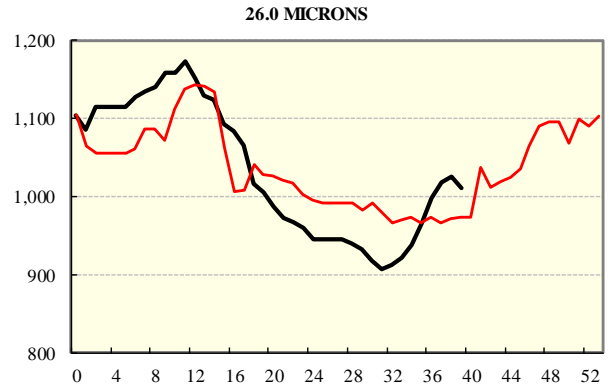
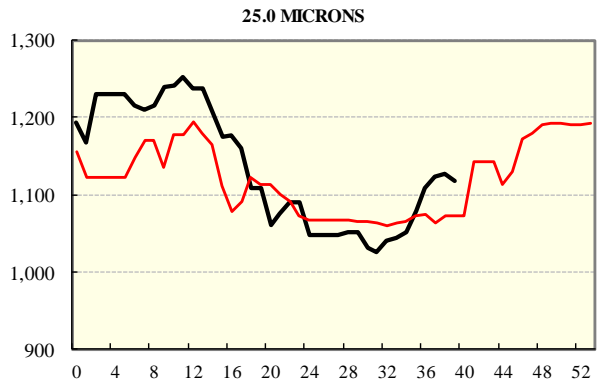
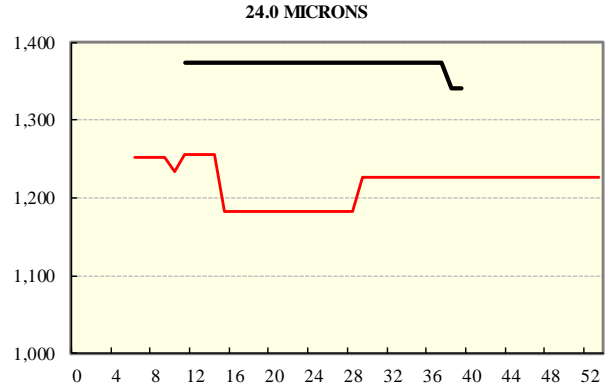
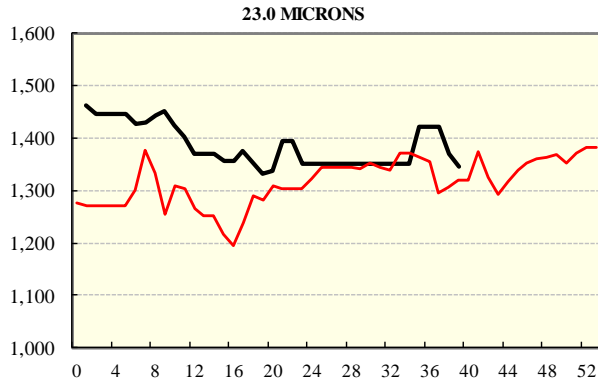
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AVERAGE AWEX MICRON PRICE GUIDES

a+B36he(black graph line) and 2015/16 (red graph line)

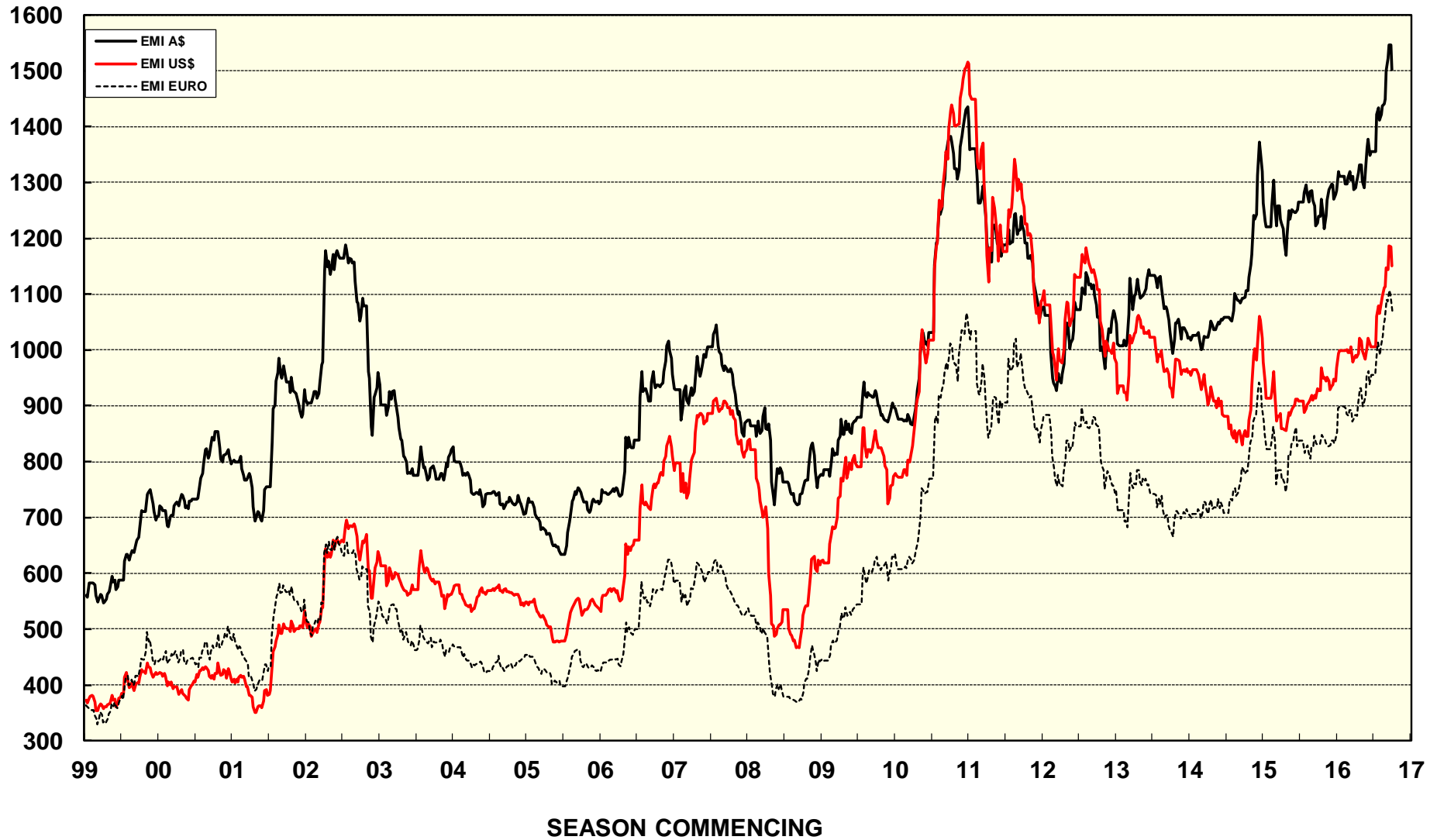


AVERAGE AWEX MICRON PRICE GUIDES
a+B36he(black graph line) and 2015/16 (red graph line)



EASTERN MARKET INDICATOR (EMI) SINCE 1999/00 (¢/kg clean)

(In Australian, United States and European Currencies)



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