

# AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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## AWIS WOOL MARKET REVIEW

Week Ending 4 November 2016 (Week 18)

The AWEX EMI finished at 1303¢, 28¢ lower (-2.1%) in Australian currency and 17¢ lower (-1.7%) in US currency at sales in Sydney, Melbourne and Fremantle this week.

45,976 bales were on offer nationally, compared with 42,190 bales last sale. 12.5% of the offering was passed in.

AWEX reports that the value of the wool sold was \$62.8 million (\$1,560 per bale).

The New Zealand Merino Company offered 1,244 bales in Melbourne on Wednesday, of which 13.9% were passed in.

Centre	Last Sale		Day-to-Day Changes (Week 18)			Sale-to-Sale	Closing	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday	Change	Indicator	US ¢	Euro ¢
Eastern	17	1331	No Sale	-15	-13	-28 (-2.1%)	1303	-17	-33
Northern	17	1375	No Sale	-14	-13	-27 (-2.0%)	1348	-15	-33
Southern	17	1303	No Sale	-17	-12	-29 (-2.2%)	1274	-17	-33
Western	17	1393	No Sale	-19	-11	-30 (-2.2%)	1363	-18	-35

The increase in the offering for this week and the news on Monday of a 25% increase in the expected offering for Week 19 put the market under pressure. Nevertheless, the EMI is still above 1300¢ in A\$ and is only 1¢ under 1000¢ in US currency. The falls were less on Thursday, particularly when converted to US currency.

The increase in the offerings is due to the easing of the rainfall over two of the last three weeks, allowing shearing to resume. Falls occurred across all wool types and micron ranges, with the finer types least affected among the Merinos. The better prices at the fine end meant that the difference between the fine end and the medium end were 301¢ in the North and 274¢ in the South, the highest since August 2013.

The falls were greater in the crossbred wools, where the average AWEX MPGs were down by just over 4% up to 30 microns and by 7.9% at 32 microns. Crossbred sellers responded with a pass-in rate of 20.7%

Merino Cardings which have had a very good run this season were least affected of all wool types.

The US Exchange Rate finished 0.37¢ (0.5%) higher to close at 76.68¢ 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	245¢	270¢	283¢	291¢	301¢
South	230¢	251¢	255¢	269¢	274¢

Market Indicator	Changes From			
	Four Sales Ago Week 14	Start of the Season	Week 18 Last Year	Season Average to Week 18 Last Year
Eastern Market Indicator	+3 (+0.2%)	-13 (-1.0%)	+53 (+4.2%)	+75 (+6.1%)
Western Market Indicator	+15 (+1.1%)	-56 (-3.9%)	+70 (+5.4%)	+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 ¢	-22	-28	-31	-25	-19	-27	-29	-32	-38	-33	-22	
Change %	-1.3%	-1.7%	-1.9%	-1.5%	-1.2%	-1.7%	-1.9%	-2.2%	-2.7%	-2.4%	-1.6%	
<b>Since Start of the Season</b>												
Change ¢	+60	+63	+59	+67	+66	+26	-10	-67	-116	-110	-101	
Change %	+3.8%	+4.0%	+3.8%	+4.3%	+4.3%	+1.7%	-0.7%	-4.5%	-7.8%	-7.5%	-6.9%	
<b>Since Same Week Last Year</b>												
Change ¢	+129	+129	+124	+127	+143	+136	+120	+76	+37	+35	+63	
Change %	+8.5%	+8.6%	+8.3%	+8.5%	+9.9%	+9.7%	+8.8%	+5.6%	+2.8%	+2.7%	+4.9%	

Micron	25.0	26.0	28.0	30.0	32.0	MC <sup>#</sup>
<b>Since Last Sale</b>						
Change ¢	-52	-48	-31	-25	-38	-10
Change %	-4.5%	-4.5%	-4.2%	-4.2%	-7.9%	-0.9%
<b>Since Start of the Season</b>						
Change ¢	-91	-83	-49	-72	-78	+20
Change %	-7.6%	-7.5%	-6.5%	-11.2%	-14.9%	+1.8%
<b>Since Same Week Last Year</b>						
Change ¢	-15	-24	-171	-261	-265	+34
Change %	-1.3%	-2.3%	-19.5%	-31.4%	-37.3%	+3.2%

# Average Merino Cardings Price Guide

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Week Ending 4 November 2016 (Week 18)

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 September ABS export data.

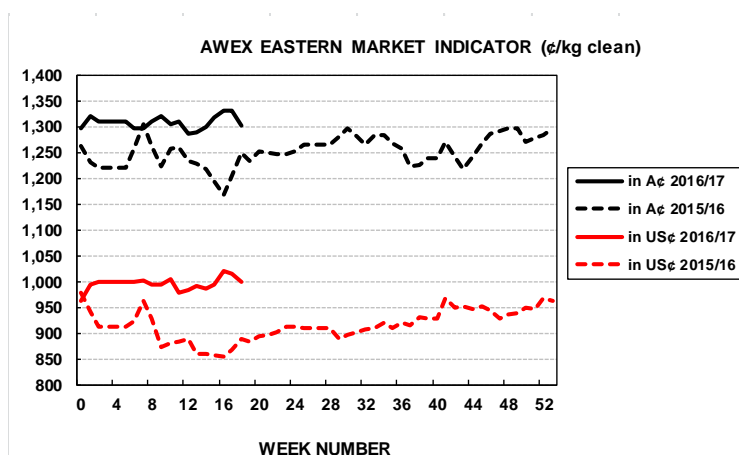
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re- Offered	Bales Sold
North	12,375	13,966	7.4%	1.6%	1.1%	12,932
South	20,035	22,910	16.4%	1.9%	2.6%	19,155
West	9,780	9,100	10.4%	4.1%	4.0%	8,157
<b>Australia</b>	<b>42,190</b>	<b>45,976</b>	<b>12.5%</b>	<b>2.3%</b>	<b>2.4%</b>	<b>40,244</b>

Actual and % Changes in the Progressive Offerings from Last Year	
+4,620	+2.7%
-2,315	-0.8%
+13,228	+12.2%
<b>+15,533</b>	<b>+2.8%</b>

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 19	Week 20	Week 21	Differences
North	15,085	12,090	10,990	<b>+14.8%</b>
South	24,604	25,400	24,700	<b>+12.1%</b>
West	11,420	8,120	8,120	<b>-3.4%</b>
<b>New Zealand</b>			<b>2,400</b>	
<b>Australia</b>	<b>51,109</b>	<b>45,610</b>	<b>43,810</b>	<b>+9.3%</b>
<b>Differences</b>	<b>+23.8%</b>	<b>-2.7%</b>	<b>+8.5%</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	76.31	-0.34	+0.16	+0.40	-0.29	+0.44	+0.37 (+0.5%)	76.68	74.69	77.11
Euro	70.00	-0.34	-0.25	+0.39	-0.93	+0.11	-1.02 (-1.5%)	68.98	66.40	70.00

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to September	
	September 2016	July to September This Season	July to September Last Season	By Weight	By Value
China	75.3%	75.2%	73.9%	+7.2%	+7.5%
India	7.2%	7.4%	9.3%	-16.2%	-11.8%
Italy	6.3%	5.9%	5.5%	+14.3%	+25.5%
Czech Republic	5.5%	5.4%	3.8%	+50.3%	+56.3%
Malaysia	0.5%	0.8%	1.4%	-37.7%	-49.2%
Korea	1.2%	1.5%	1.6%	-5.4%	-7.4%
Taiwan	1.1%	0.9%	0.9%	+0.3%	+5.4%
Egypt	1.0%	1.0%	1.4%	-22.9%	-21.2%
<b>Change all Countries</b>				<b>+5.4%</b>	<b>+5.9%</b>



AVERAGE EMI	
This Year	1309
Last Year	1254
2014/15	1102
2013/14	1070
2012/13	1035

SEASON AVERAGES		
Region	This Year	Diff
North	1340	+61
South	1288	+50
West	1385	+77

THIS YEAR'S EMI	
This Week	1303
First Week	1320
Low (26/10)	1287
High (17/10)	1331

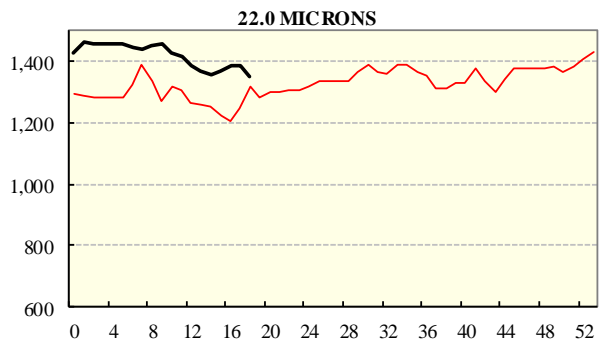
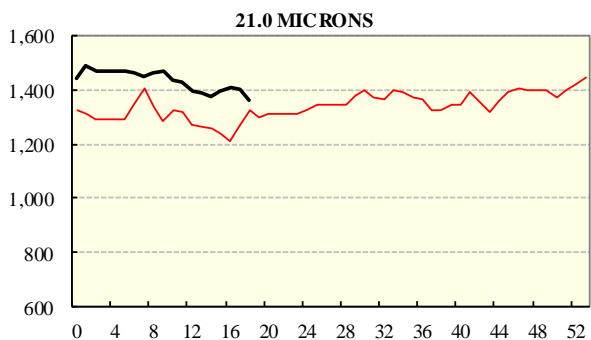
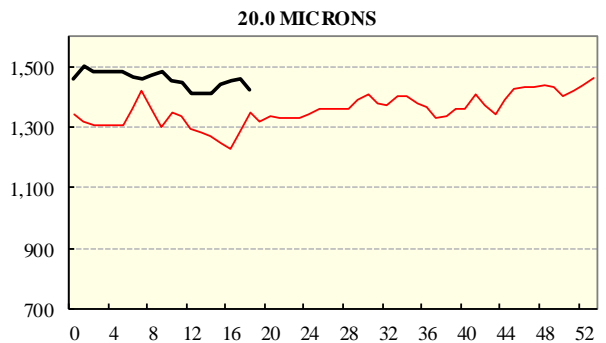
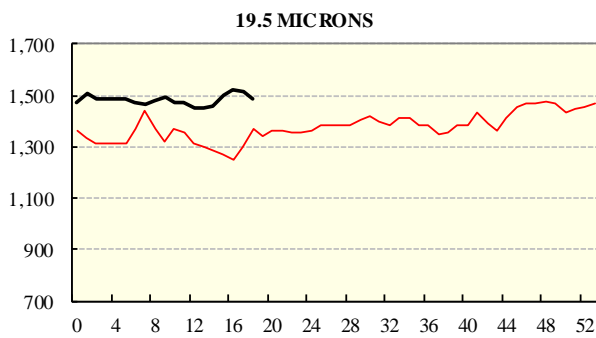
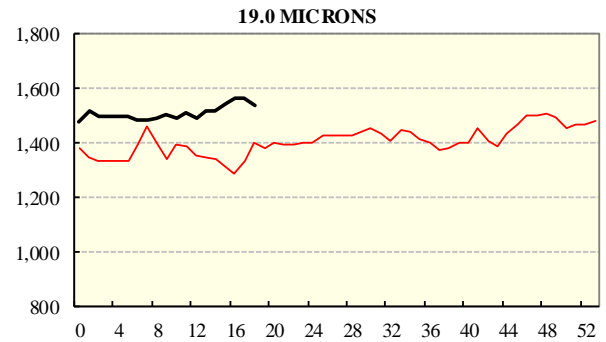
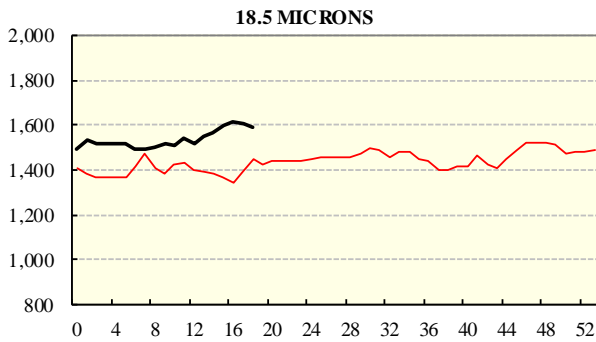
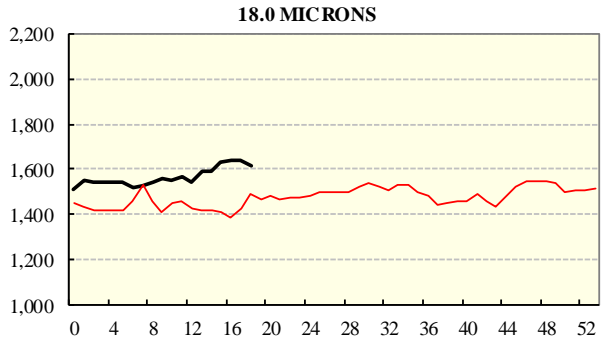
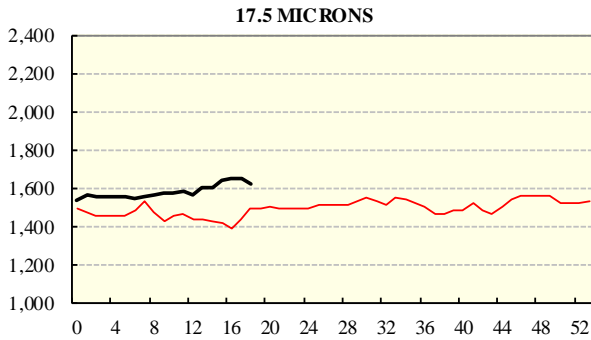
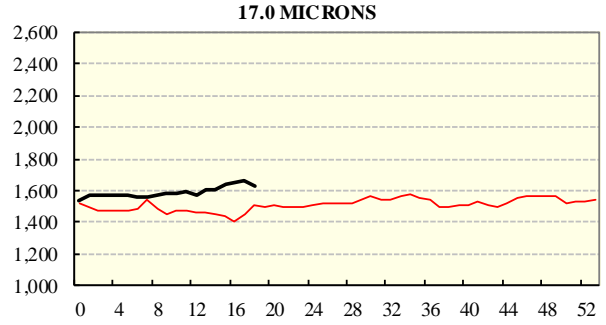
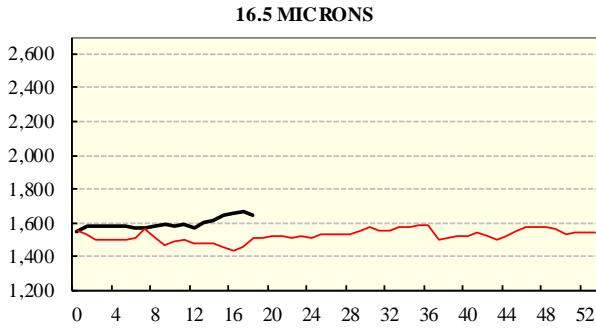
COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1348	+11
South	1274	-27
West	1363	-56

BALES OFFERED	
This Year	577,802
Last Year	562,269
Difference	+15,533
% Diff	+2.8%
FIRST OFFERED BALES	
Difference	+3.5%
% of Offering	96%

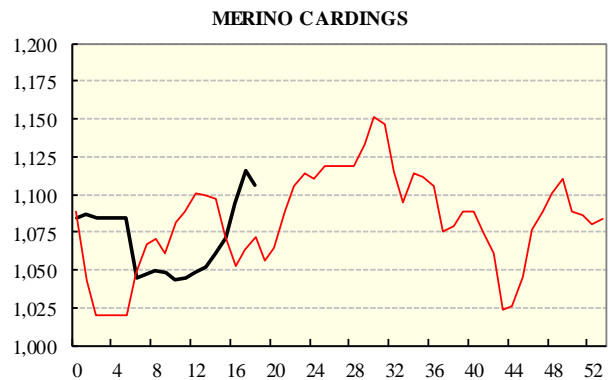
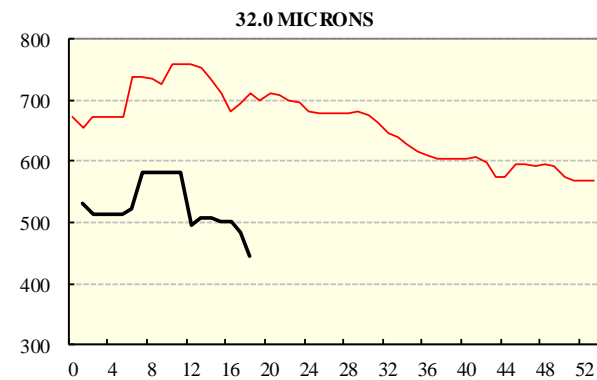
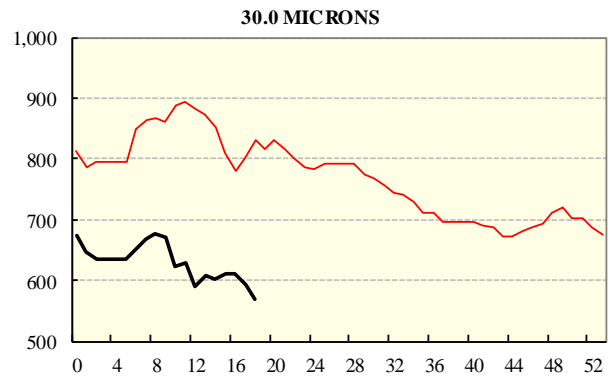
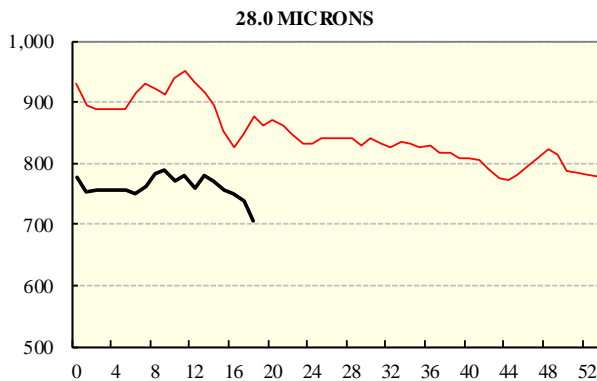
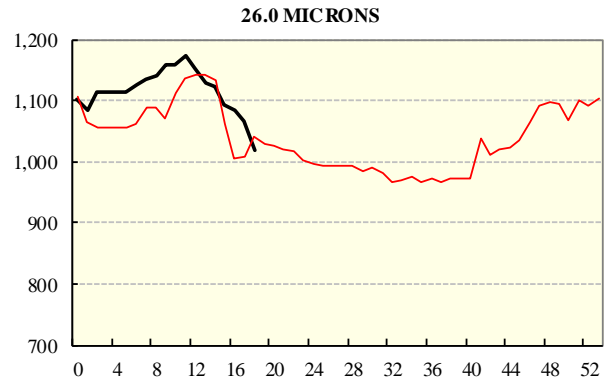
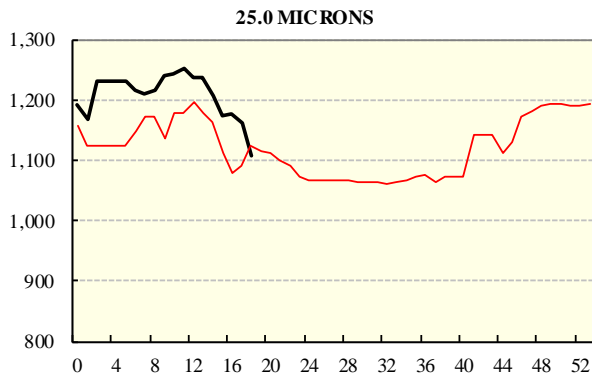
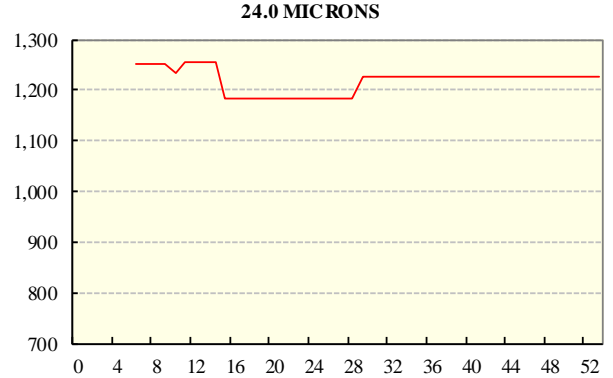
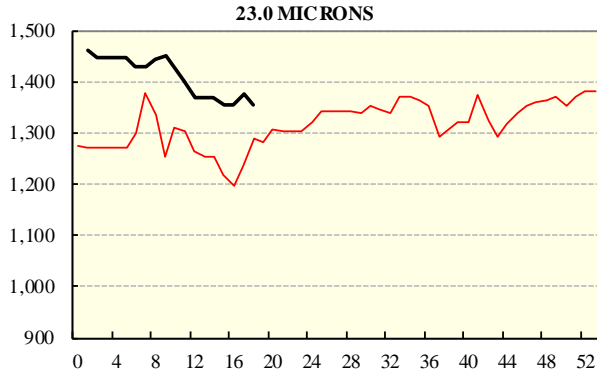
REGION BALES		
This Sale:		
North	13,966	
South	22,910	
West	9,100	
Progressive Totals:		
North	177,552	+2.7%
South	278,884	-0.8%
West	121,366	+12.2%

# AVERAGE AWEX MICRON PRICE GUIDES

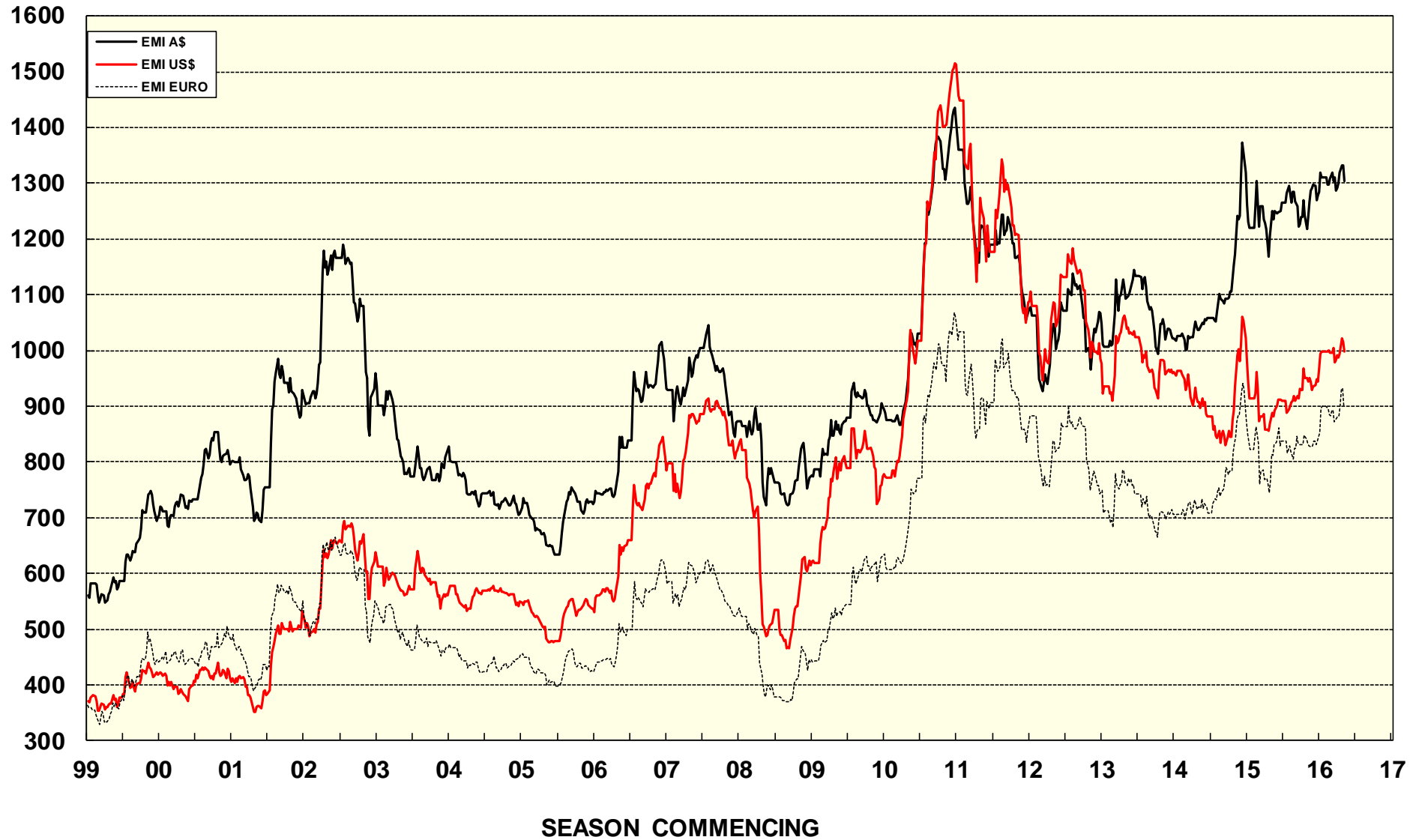
2016/17( black graph line) and 2015/16 (red graph line)



**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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For further information

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