

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW

Week Ending 7 October 2016 (Week 14)

The AWEX EMI finished 10¢ higher (+0.8%) in Australian currency and 4¢ lower (-0.4%) in US currency at sales in Sydney, Melbourne and Fremantle this week.

36,849 bales were on offer nationally, compared with 33,917 bales last sale. 5.4% of the offering was passed in.

AWEX reports that the value of the wool sold was \$54.0 million (\$1,549 per bale).

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 14)									
Centre	Last Sale		Day-to-Day Changes (Week 14)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	13	1290	No Sale	+10	0	+10 (+0.8%)	1300	-4	-1
Northern	13	1333	No Sale	+7	+1	+8 (+0.6%)	1341	-5	-2
Southern	13	1263	No Sale	+11	0	+11 (+0.9%)	1274	-2	0
Western	13	1363	No Sale	-6	-9	-15 (-1.1%)	1348	-23	-19

The market opened strongly on Wednesday, particularly in Melbourne where there was some catching up to do from the good market on the previous Thursday, when Melbourne did not sell. The market remained firm in Sydney and Melbourne on Thursday, but finished on an easier note in Fremantle when it sold later in the day.

The greatest gains were at the fine end, where they were largely driven by gains in Melbourne on Wednesday. Trade reports indicate that the broader Merinos have often been too long to meet processor's requirements in recent weeks.

Merino skirtings started strongly and were in keen demand on both days. Crossbreds were largely unchanged except for a 15¢ fall in the 26 MPG in Melbourne on Thursday. Oddments were also in good demand.

The US Exchange Rate eased slightly on Thursday, after firming earlier in the week when the Reserve Bank held the official interest rate at 1.5%. The Exchange Rate finished 0.88¢ (-1.1%) lower to close at 75.96¢ on Thursday.

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

Looking ahead, the expected offering for Week 15 has dropped back sharply after a run where most sales were larger than last year. The fall is not surprising, given the amount of rain and flooding over eastern Australia in the last five weeks.

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	222¢	243¢	251¢	256¢	263¢
South	198¢	228¢	238¢	240¢	241¢

Market Indicator	Changes From			
	Four Sales Ago Week 10	Start of the Season	Week 14 Last Year	Season Average to Week 14 Last Year
Eastern Market Indicator	-5 (-0.4%)	-16 (-1.2%)	+83 (+6.8%)	+59 (+4.7%)
Western Market Indicator	-31 (-2.2%)	-71 (-5.0%)	+105 (+8.4%)	+109 (+8.5%)

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
Since Last Sale												
Change ¢		+1	+2	+1	+16	+3	+7	-5	-15	-13		
Change %		+0.1%	+0.1%	+0.1%	+1.0%	+0.2%	+0.5%	-0.4%	-1.1%	-1.0%		
Since Start of the Season												
Change ¢	+30	+37	+40	+47	+41	+10	-39	-83	-105	-108		
Change %	+1.9%	+2.4%	+2.6%	+3.0%	+2.7%	+0.7%	-2.6%	-5.6%	-7.1%	-7.4%		
Since Same Week Last Year												
Change ¢	+134	+159	+173	+176	+179	+181	+178	+140	+121	+102		
Change %	+9.1%	+11.0%	+12.1%	+12.4%	+12.9%	+13.5%	+13.9%	+11.0%	+9.6%	+8.2%		

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 ¢		-9	+1	-1	0	+8
Change %		-0.8%	+0.2%	-0.2%	0.0%	+0.8%
Since Start of the Season						
Change ¢	+8	+24	+17	-38	-15	-26
Change %	+0.7%	+2.2%	+2.3%	-5.9%	-2.9%	-2.4%
Since Same Week Last Year						
Change ¢	+43	-9	-121	-249	-228	-37
Change %	+3.7%	-0.8%	-13.5%	-29.2%	-31.0%	-3.4%

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 August ABS export data.

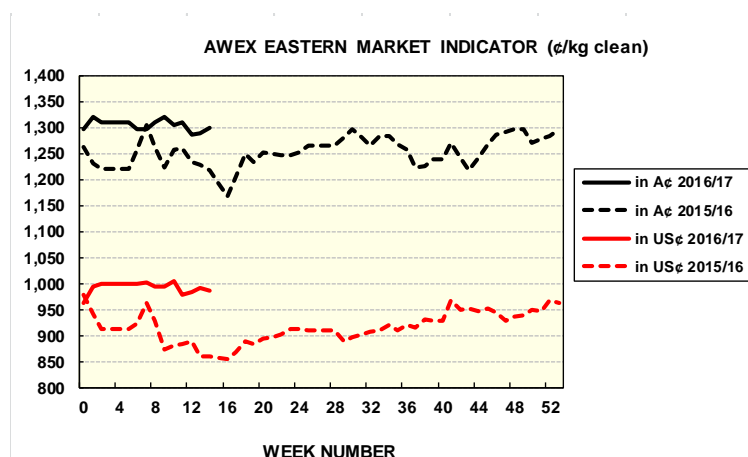
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re- Offered	Bales Sold
North	10,176	7,781	2.4%	1.6%	4.3%	7,598
South	16,994	19,846	5.1%	3.5%	7.3%	18,843
West	6,747	9,222	8.7%	1.7%	3.0%	8,421
Australia	33,917	36,849	5.4%	2.7%	5.6%	34,862

Actual and % Changes in the Progressive Offerings from Last Year	
+602	+0.4%
+7,730	+3.9%
+10,612	+14.2%
+18,944	+4.7%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 15	Week 16	Week 17	Differences
North	7,958	10,050	10,040	-0.4%
South	16,567	22,597	23,616	+0.8%
West	8,566	8,220	8,220	-0.7%
New Zealand	2,700		2,000	
Australia	33,091	40,867	41,876	+0.2%
Differences	-12.3%	+0.3%	+12.8%	

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	76.84	-0.54	Public	+0.42	-0.39	-0.37	-0.88 (-1.1%)	75.96	74.69	77.11
Euro	68.44	-0.42	Holiday	+0.50	-0.48	-0.21	-0.61 (-0.9%)	67.83	66.40	68.98

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to August	
	August 2016	July to August This Season	July to August Last Season	By Weight	By Value
China	76.9%	75.2%	74.5%	-2.0%	-3.6%
India	6.0%	7.5%	9.5%	-23.3%	-19.6%
Italy	6.3%	5.7%	5.0%	+5.9%	+19.8%
Czech Republic	5.3%	5.4%	3.4%	+54.3%	+61.7%
Malaysia	1.0%	1.0%	1.3%	-22.9%	-36.7%
Korea	1.7%	1.7%	1.5%	+5.7%	+2.9%
Taiwan	0.1%	0.7%	0.9%	-19.5%	-14.6%
Egypt	0.8%	1.0%	1.5%	-34.5%	-36.1%
Change all Countries				-2.9%	-3.7%



AVERAGE EMI	
This Year	1304
Last Year	1254
2014/15	1102
2013/14	1070
2012/13	1035

SEASON AVERAGES		
Region	This Year	Diff
North	1332	+53
South	1286	+48
West	1387	+79

THIS YEAR'S EMI	
This Week	1300
First Week	1320
Low (26/10)	1287
High (23/11)	1320

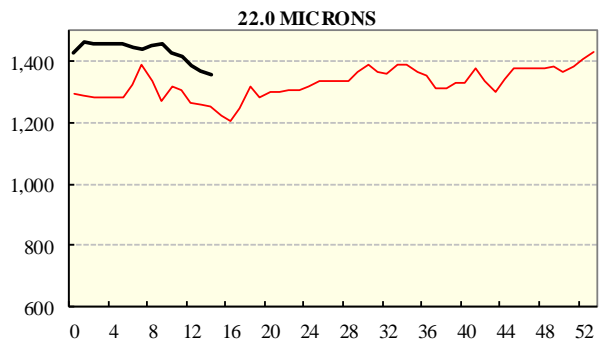
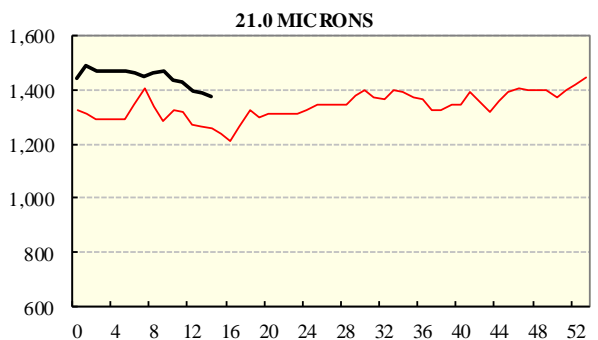
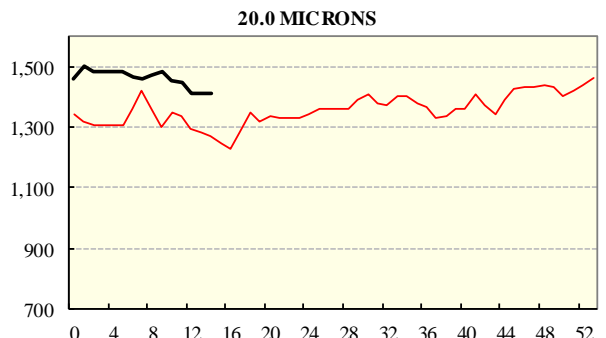
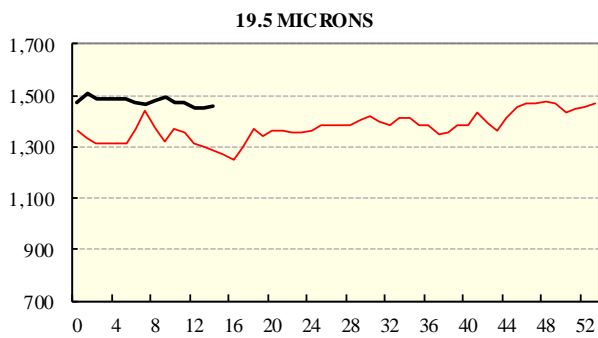
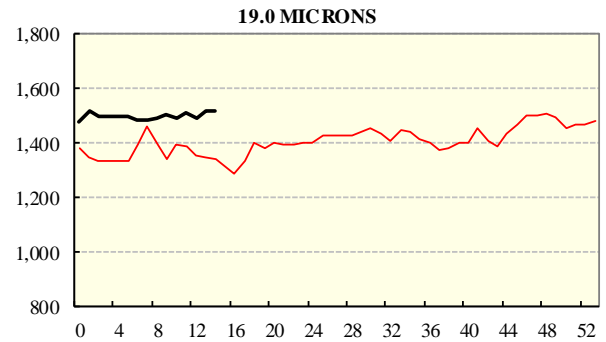
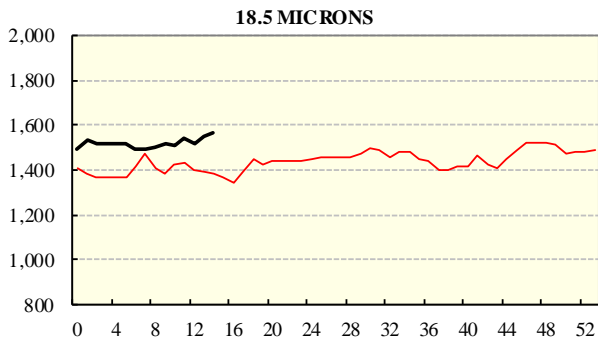
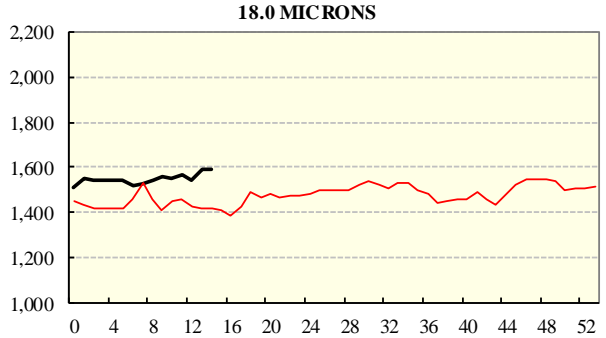
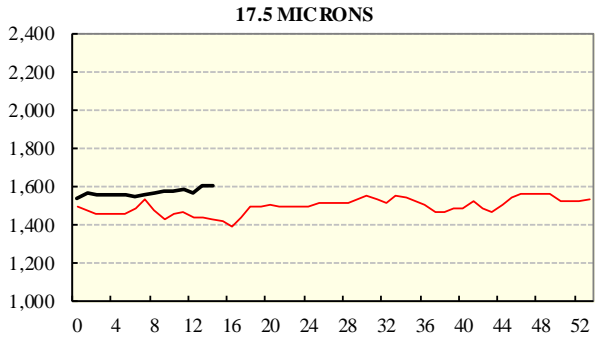
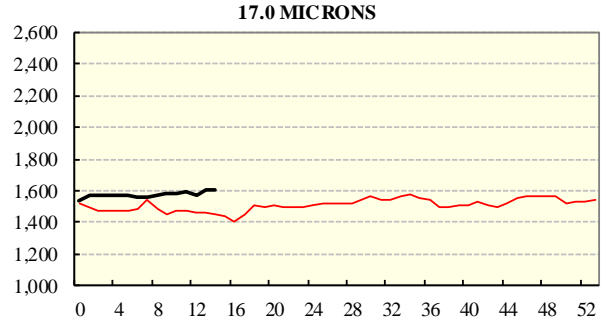
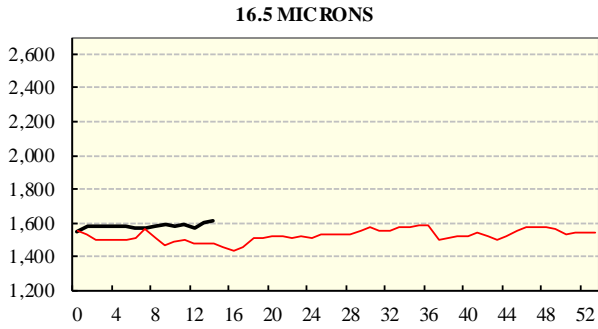
COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1341	4
South	1274	-27
West	1348	-71

BALES OFFERED	
This Year	425,708
Last Year	406,764
Difference	18,944
% Diff	4.7%
FIRST OFFERED BALES	
Difference	5.7%
% of Offering	95.8%

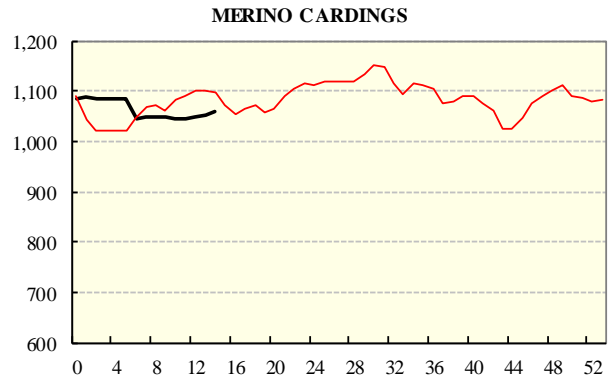
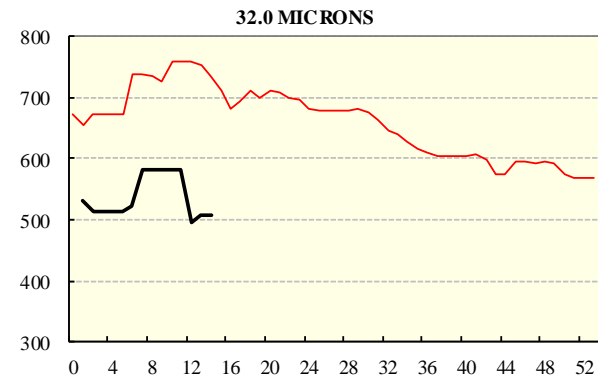
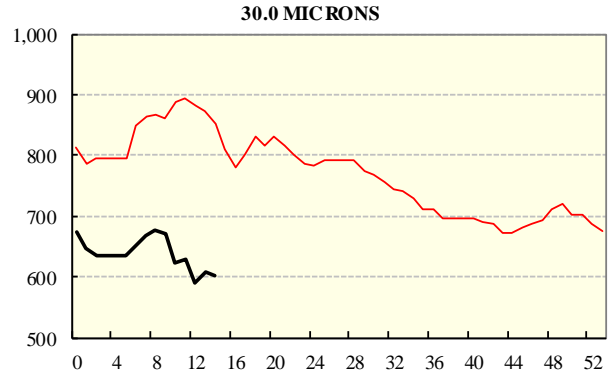
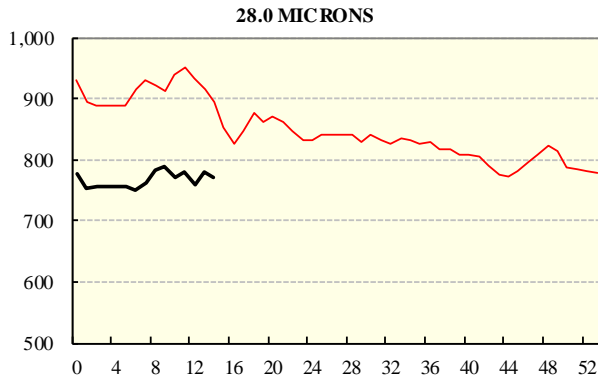
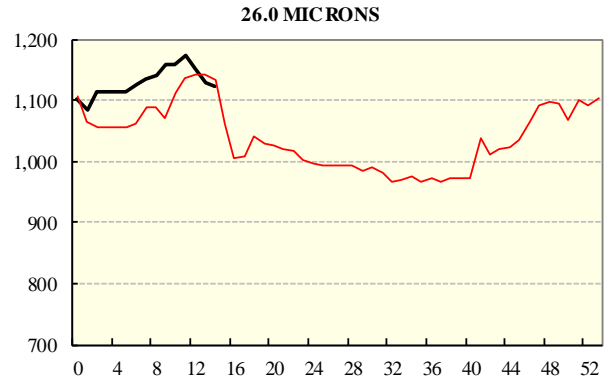
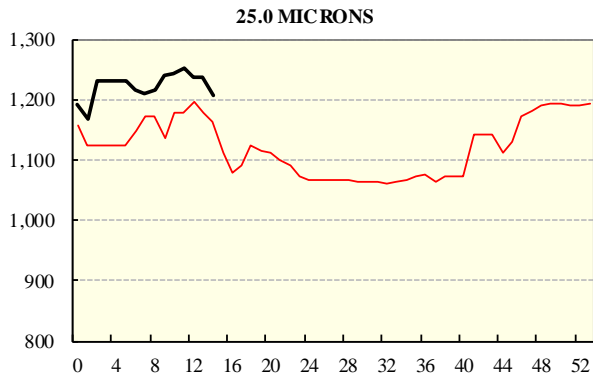
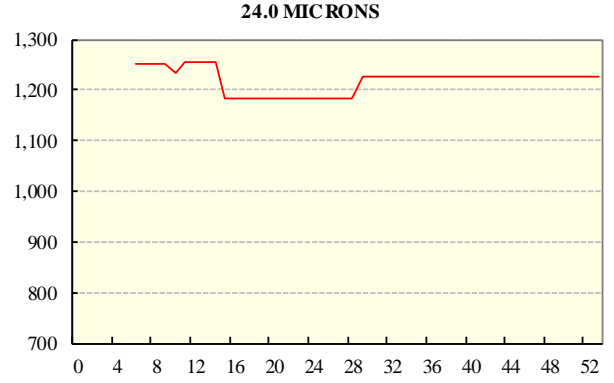
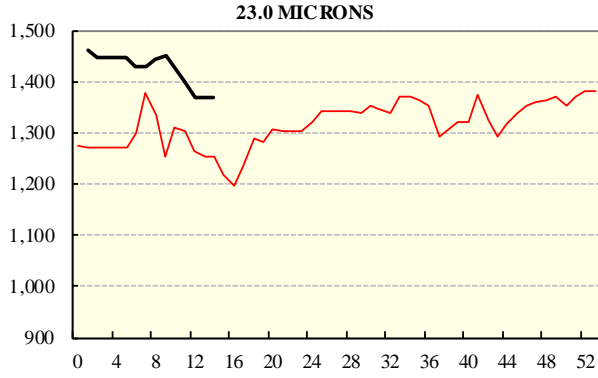
REGION BALES		
This Sale:		
North	6,588	
South	64	
West	7,781	
Progressive Totals:		Diff
North	134,442	0.4%
South	205,783	3.9%
West	85,483	14.2%

AVERAGE AWEX MICRON PRICE GUIDES

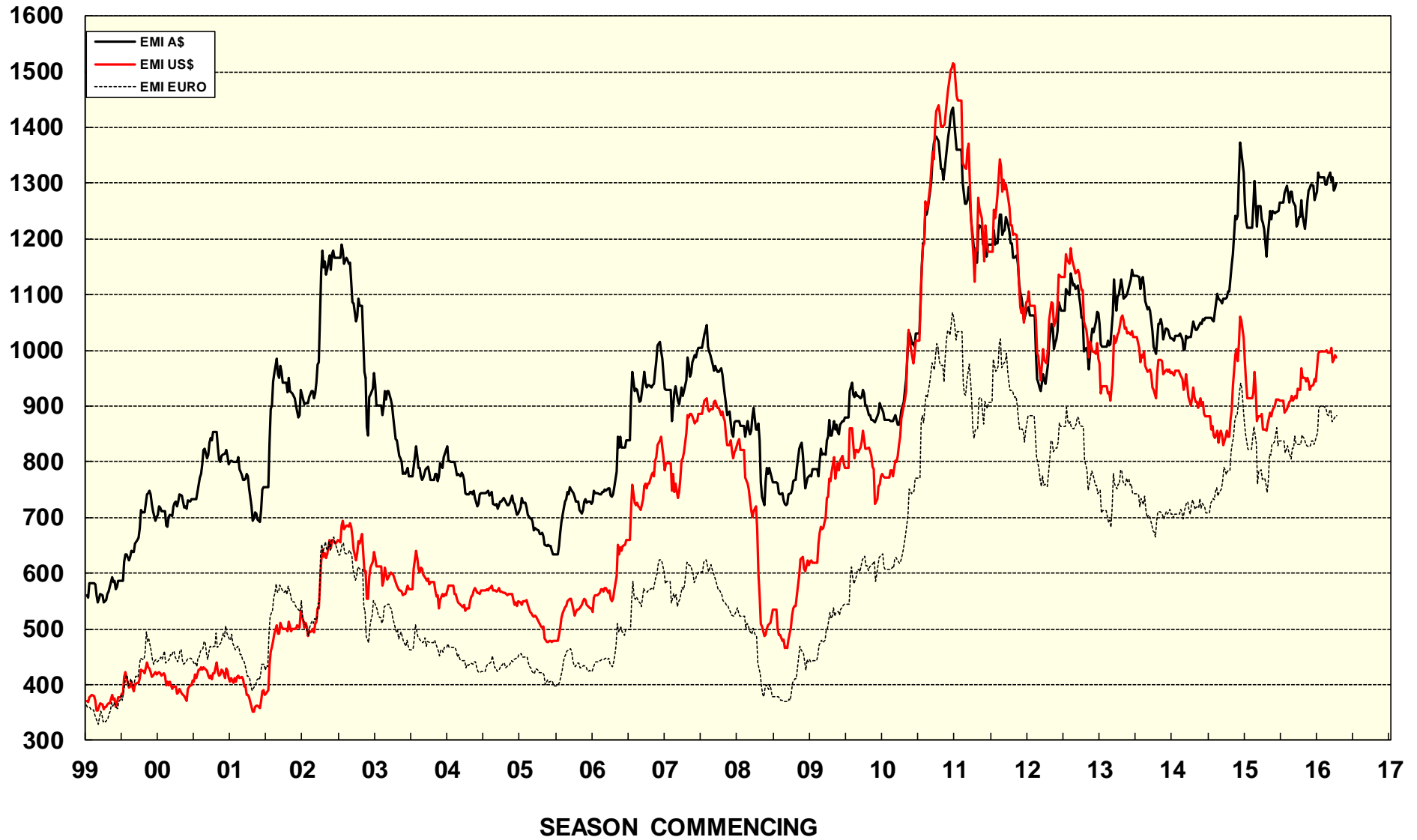
2016/17 (black graph line) and 2015/16 (red graph line)



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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