

AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

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AWIS WOOL MARKET REVIEW

Week Ending 8 July 2016 (Week 01)

The AWEX EMI finished 23¢ higher (+1.8%) in Australian currency and 30¢ higher (+3.1%) in US currency at sales in Sydney, Melbourne and Fremantle this week.

39,152 bales were on offer nationally, compared with 28,865 bales last sale. 3.8% of the offering was passed in.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 01)									
Centre	Last Sale		Day-to-Day Changes (Week 01)			Sale-to-Sale Change	Closing Indicator	Sale-to-Sale Changes	
	Week	Indicator	Tuesday	Wednesday	Thursday			US ¢	Euro ¢
Eastern	53	1297	No Sale	+14	+9	+23 (+1.8%)	1320	+30	+26
Northern	53	1317	No Sale	+18	+6	+24 (+1.8%)	1341	+31	+27
Southern	53	1283	No Sale	+13	+10	+23 (+1.8%)	1306	+29	+27
Western	53	1393	No Sale	+15	+15	+30 (+2.2%)	1423	+36	+32

It was an excellent start to the new season with strong demand on both days and the EMI closing at its highest level since Week 2 of the 2011/12 season. Exporters reported that there had been considerable enquiry leading up to the sale.

The market eased a little towards the end of the day on Thursday in the East, but finished strongly in the West.

Demand for fleece wool was particularly strong, leading to a low pass-in rate of 1.4%. Merino skirtings were in good demand, but did not quite match the fleece types. Demand for crossbreds did not match the demand for Merino types resulting in an easing in all of their average AWEX MPGs. Oddments received good support, but demand also was not as strong as for the Merino fleece.

The biggest gains were from 18.5 microns and up. The 20 micron, 21 micron and 22 micron average AWEX MPGs have risen by 99¢, 118¢ and 99¢, respectively since Week 50 of last season.. Their closing average MPGs were 1501¢, 1489¢ and 1465¢. This has led to a tightening of the differences between the MPGs for 22 micron wool and the fine end.

The US Exchange Rate remains high. It finished 0.95¢ (1.3%) higher to close at 75.21¢ on Thursday. The Australian Dollar closed at 57.96 against the Pound on Thursday night, an increase of 13.9% since the Brexit vote to leave the EU.

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	66¢	85¢	102¢	110¢	111¢
South	66¢	79¢	93¢	97¢	112¢

Market Indicator	Changes From			
	Four Sales Ago Week 50	Start of the Season	Week 01 Last Year	Season Average to Week 01 Last Year
Eastern Market Indicator	+50 (+3.9%)	0 (0.0%)	+89 (+7.2%)	+89 (+7.2%)
Western Market Indicator	No Sale	0 (0.0%)	+168 (+13.4%)	+192 (+15.6%)

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 ¢		+33	+30	+36	+41	+40	+40	+40	+43	+37		
Change %		+2.1%	+2.0%	+2.4%	+2.7%	+2.7%	+2.7%	+2.7%	+3.0%	+2.6%		
Since Start of the Season												
Change ¢	0	0	0	0	0	0	0	0	0	0	0	0
Change %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Since Same Week Last Year												
Change ¢	+47	+74	+88	+117	+151	+172	+176	+185	+179	+180	+191	
Change %	+3.1%	+4.9%	+6.0%	+8.2%	+10.9%	+12.8%	+13.2%	+14.1%	+13.7%	+14.0%	+15.0%	

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 ¢	-25	-18	-23	-27		+3
Change %	-2.1%	-1.6%	-3.0%	-4.0%		+0.3%
Since Start of the Season						
Change ¢	0	0	0	0	0	0
Change %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Since Same Week Last Year						
Change ¢	+45	+21	-140	-140	-123	+44
Change %	+4.0%	+2.0%	-15.7%	-17.8%	-18.8%	+4.2%

Average Merino Cardings Price Guide

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AWIS WOOL MARKET REVIEW Week Ending 8 July 2016 (Week 01)

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 May ABS export data.

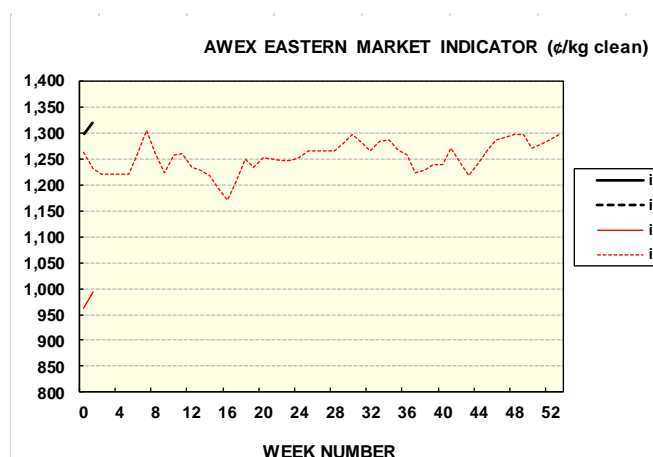
Details of this Week's Offering and the Comparison with the Previous Sale's Offering						
Centre	Last Sale	This Sale				
	Offering	Offering	Passed-In	Withdrawn Before Sale	Re- Offered	Bales Sold
North	9,618	13,711	3.8%	0.0%	6.3%	13,190
South	13,654	15,985	4.7%	1.3%	6.0%	15,238
West	5,593	9,456	2.3%	1.2%	5.0%	9,235
Australia	28,865	39,152	3.8%	0.8%	5.9%	37,663

Actual and % Changes in the Progressive Offerings from Last Year	
-4,174	-23.3%
-1,536	-8.8%
-2,495	-20.9%
-8205	-17.3%

Next Sale Offerings and Year-on-Year Differences				
Centre	Week 02	Week 03	Week 04	Differences
North	14,522	No Sale	No Sale	-2.6%
South	19,188	No Sale	No Sale	-2.6%
West	7,125	No Sale	No Sale	+36.0%
New Zealand				
Australia	40,835			+2.5%
Differences	+2.5%			

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	74.26	+0.34	+0.46	+0.11	-0.81	+0.85	+0.95 (+1.3%)	75.21	75.21	75.21
Euro	66.99	+0.34	+0.07	+0.14	-0.27	+0.55	+0.83 (+1.2%)	67.82	67.82	67.82

Country	% Share of Australia's Wool Exports by Weight of Wool Shipped			Year-on-Year % Change July to May	
	May 2016	July to May This Season	July to May Last Season	By Weight	By Value
China	79.3%	75.0%	76.2%	-11.3%	+3.7%
India	6.7%	7.4%	6.0%	+4.1%	+21.0%
Italy	2.2%	4.8%	4.4%	-0.5%	+11.0%
Czech Republic	4.4%	5.2%	4.7%	-7.3%	+1.3%
Malaysia	1.0%	1.6%	1.9%	-24.2%	-38.4%
Korea	2.4%	1.8%	2.2%	-23.4%	-4.6%
Taiwan	0.9%	0.8%	0.8%	-13.8%	-5.5%
Egypt	1.3%	1.2%	0.9%	+23.1%	+36.6%
Change all Countries				-10.0%	+4.0%



AVERAGE EMI	
This Year	1320
Last Year	1254
2014/15	1102
2013/14	1070
2012/13	1035

SEASON AVERAGES		
Region	This Year	Diff
North	1341	+62
South	1306	+68
West	1423	+115

THIS YEAR'S EMI	
This Week	1320
First Week	1320
Low (8/07)	1320
High (8/07)	1320

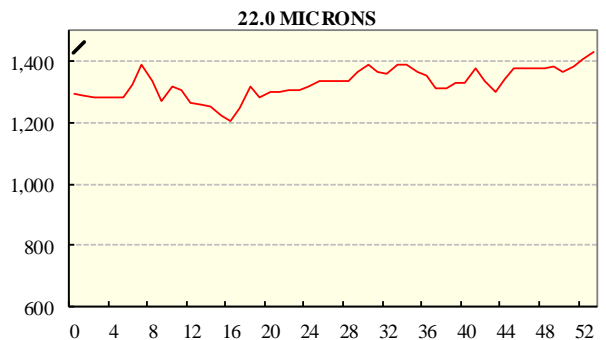
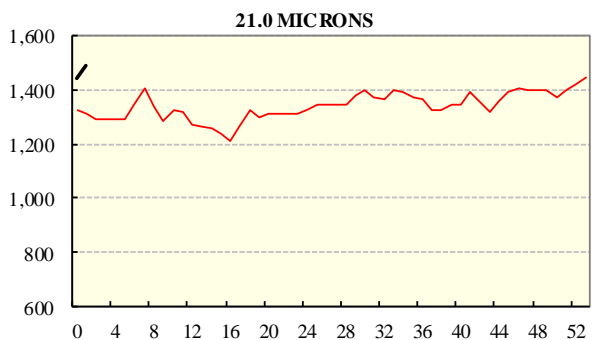
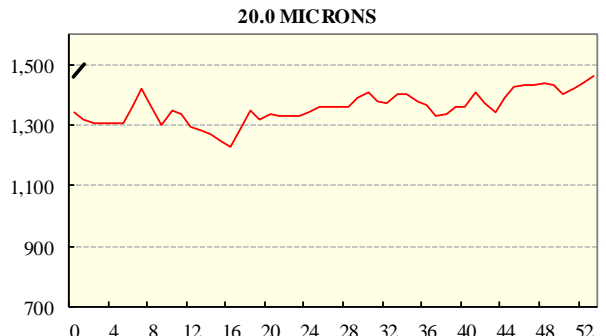
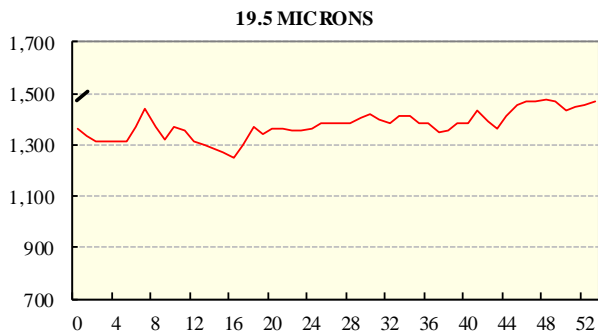
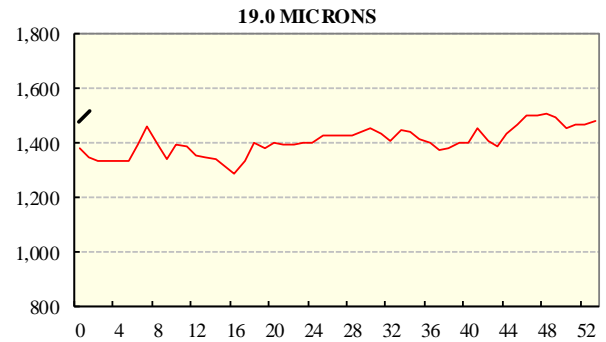
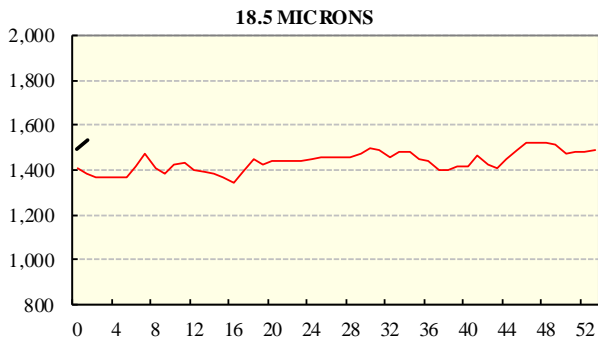
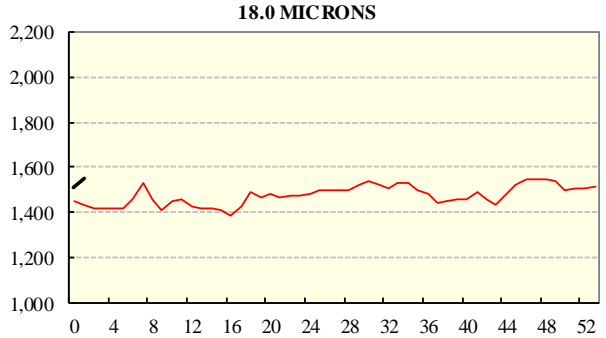
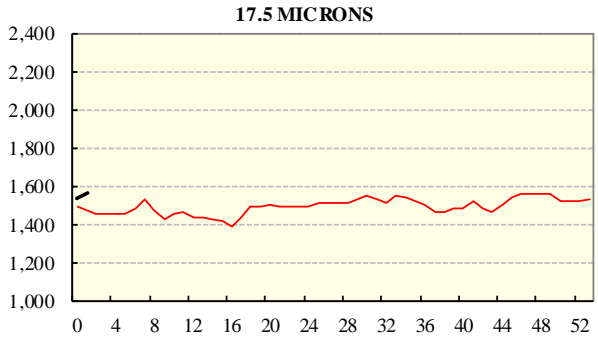
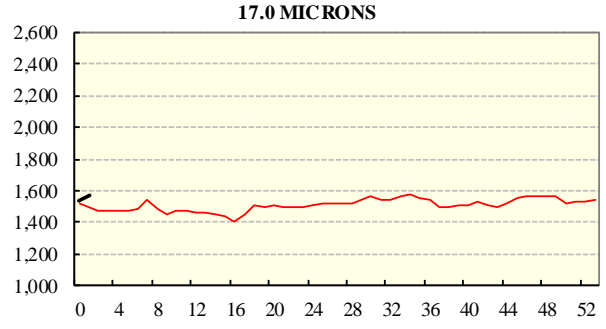
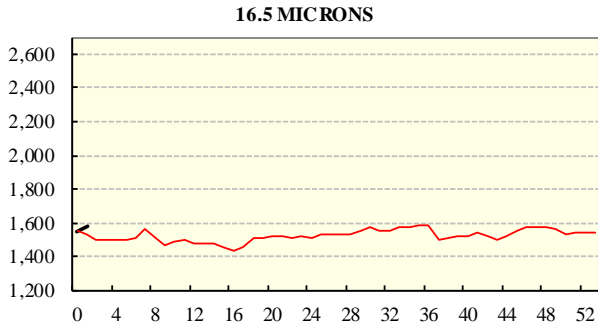
COMPARED WITH WKS 1/2		
Region	This Week	Diff
North	1341	
South	1306	
West	1423	

BALES OFFERED	
This Year	39,152
Last Year	47,357
Difference	-8,205
% Diff	-17.3%
FIRST OFFERED BALES	
Difference	-21.1%
% of Offering	94.1%

REGION BALES		
This Sale:		Diff
North	13,711	-23.3%
South	15,985	-8.8%
West	9,456	-20.9%
Progressive Totals:		Diff
North	13,711	-23.3%
South	15,985	-8.8%
West	9,456	-20.9%

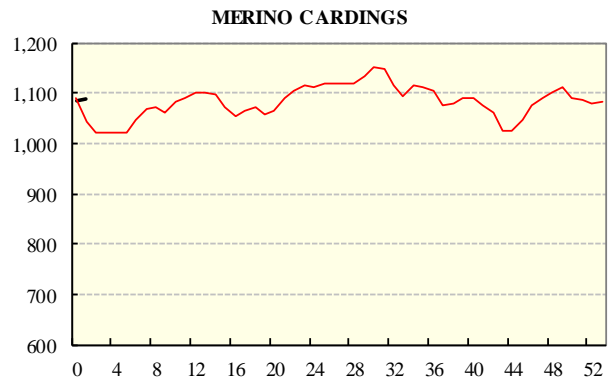
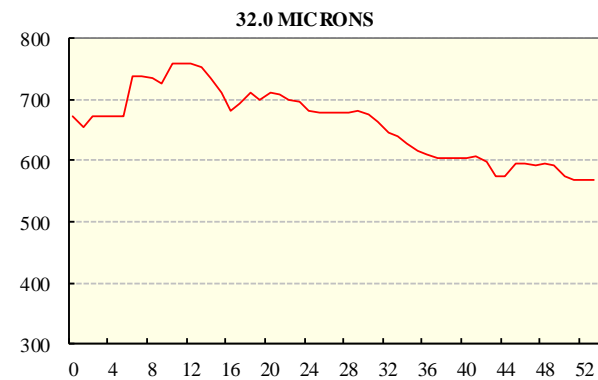
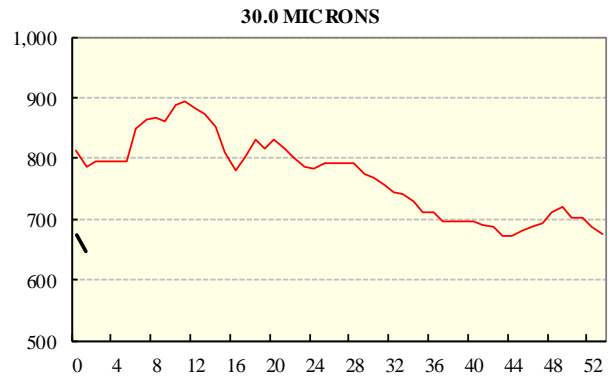
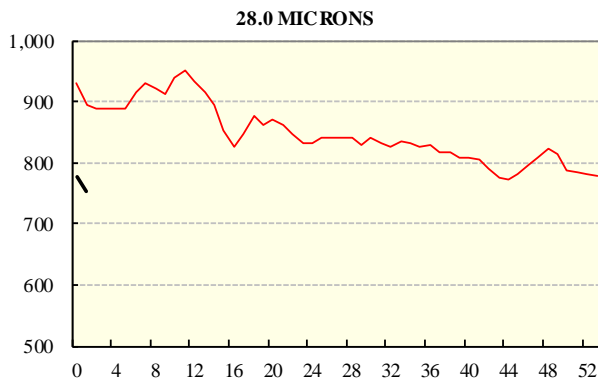
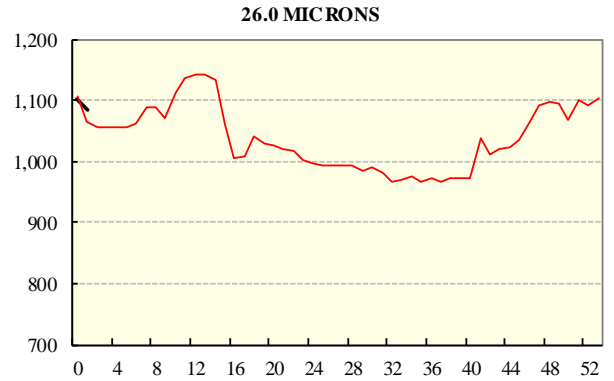
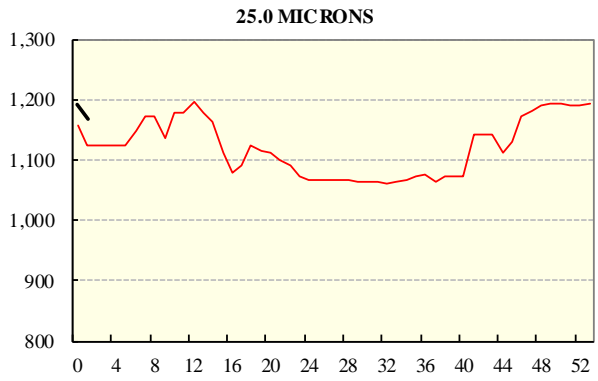
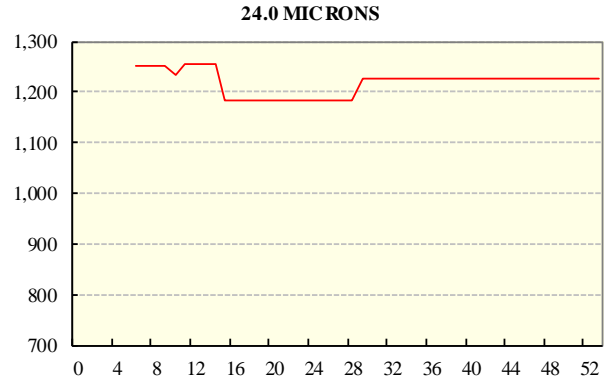
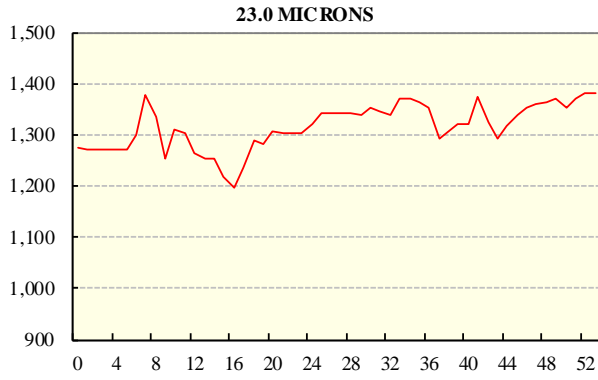
AVERAGE AWEX MICRON PRICE GUIDES

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

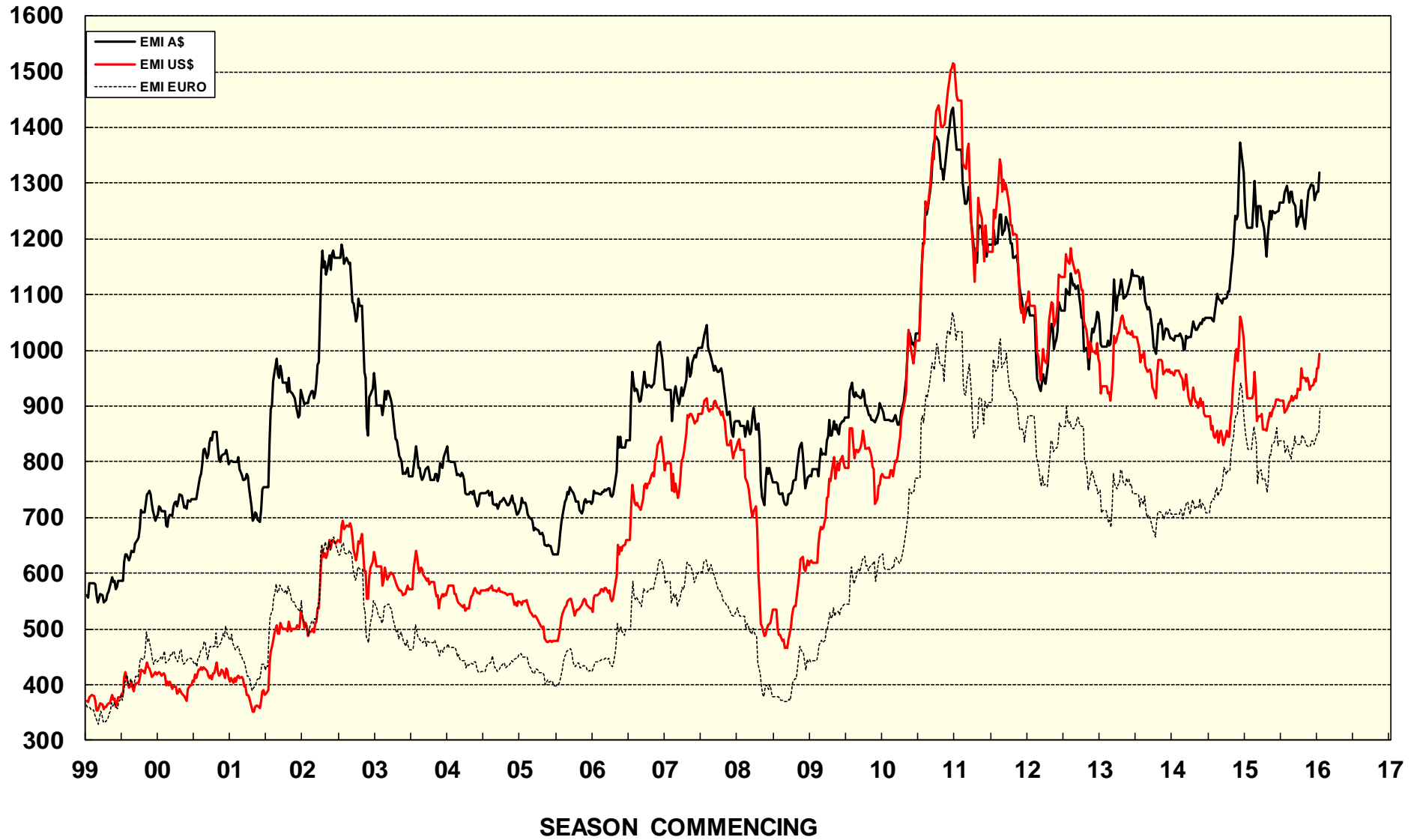


AVERAGE AWEX MICRON PRICE GUIDES

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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