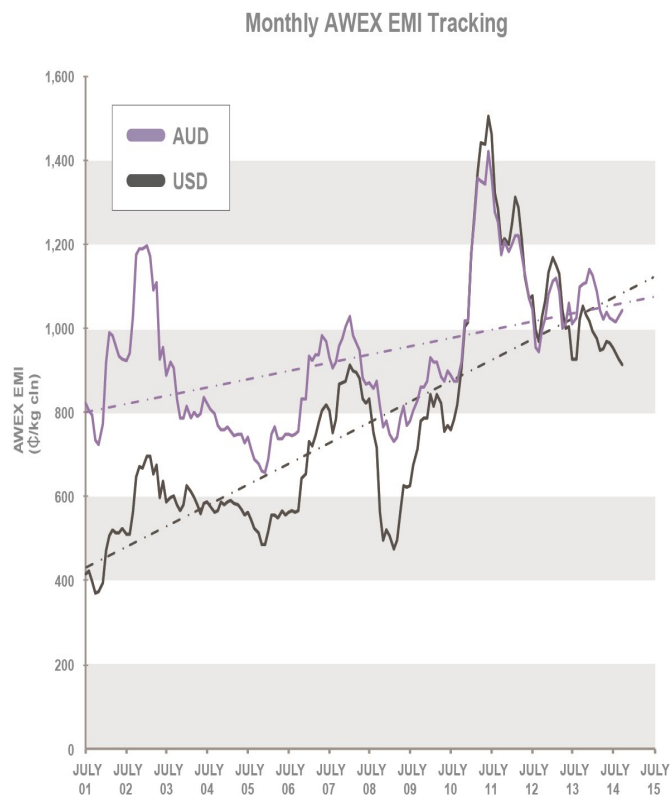




| Offering | | AWEX EMI | | | | Currency movements | | |
|---------------|--------|----------|----------------|------------|--------|--------------------|--------|--------|
| Bales offered | 41,548 | AUD | 1042 c/kg cln | +13 c/kg | 1.26 % | AU:USD | 0.8608 | -1.82% |
| Passed-In (%) | 7.3% | USD | 897.0 c/kg cln | -5 c/kg | -0.58% | AU:CNY | 5.2627 | -1.83% |
| Bales Sold | 38,519 | CNY | 54.84 ¥/kg cln | -0.33 ¥/kg | -0.59% | AU:EUR | 0.6878 | -1.09% |
| | | EUR | 7.17 €/kg cln | +0.01 €/kg | 0.16 % | | | |



| Sale days | | Wed, Thu | | |
|-----------|-----------|-----------|-----------|--|
| MPG | North | South | West | |
| 17 | 1298 +7 | 1271 +13 | - | |
| 18 | 1270 +11 | 1253 +11 | 1182n +14 | |
| 19 | 1196 +17 | 1197 +16 | 1162 +6 | |
| 20 | 1153 +16 | 1162 +22 | 1147 +11 | |
| 21 | 1147 +18 | 1157 +26 | 1126 +9 | |
| 22 | 1136n +14 | 1142 +23 | 1122n +10 | |
| 23 | - | 1123n +17 | - | |
| 24 | - | - | - | |
| 25 | 916n | - | - | |
| 26 | 813n +12 | 817n -5 | - | |
| 28 | 684 +13 | 683 +13 | - | |
| 30 | 657 +13 | 647 +6 | - | |
| 32 | 605n = | 611n +8 | - | |
| MC | 785 +3 | 783 +6 | 791n +2 | |

MPG and indicator data in AU cents and sourced from AWEX

| Riemann Wool Forwards | | | |
|-----------------------|------------|--------|-------|
| 21 Micron | | Values | |
| Maturity month | Sum of kgs | Low | High |
| Nov – 2014 | 15,000 | 1,170 | 1175 |
| Dec – 2014 | 7,500 | 1,170 | 1,170 |
| Jan – 2015 | 2,000 | 1,150 | 1,150 |

| Sale week | 2014/15 forecast | 2013/14 actual |
|-----------|------------------|----------------|
| Week 20 | 49,020 Bales | 40,750 Bales |
| Week 21 | 46,814 Bales | 47,126 Bales |
| Week 22 | 46,900 Bales | 44,215 Bales |

Forward wool prices in the above table are in AU cents and supplied by Riemann, www.riemann.com.au

AWI Commentary

Australian wool auctions produced a much better result this week for grower sellers, as prices across the offering improved to varying degrees. The Merino fleece sector was the major beneficiary of the renewed confidence amongst exporters and buyers with most micron brackets escalating between 15 and 25ac clean/kg, including the long suffering lower end types on sale. Crossbreds and cardings also posted reasonable gains for the week, with only the Merino skirtings concluding the week at unchanged, non improved, price levels.

In what was a designated super fine sale in Sydney, the series was strongly supported by some very stylish super fine offerings in the Melbourne centre from wools sourced from Tasmania. In all markets, the better Merino fleece types of 19.0 micron and finer met strong competition, with one large Italian buying company dominating the best wools on offer once again. Providing the good assistance to the super fine market were some small European indent orders, but mainly the forward books of exporters led the under bidder status. With more interest for the lower types, the price gaps were largely maintained as all sectors moved positively in the same range of upwards 20ac clean/kg. The only exception was the lower types finer than 16.5 micron which continue to be neglected.

The period of subdued demand in the fine and medium 19.0 to 23 micron Merino fleece appears to have ended for the time being, with all types in the sector being well sought through to the close of selling. Better interest from China and the sub continent led to handy rises of between 20 and 30ac clean/kg across the range, with the competition being very strong through to the cessation of selling. Rises were more substantial in the Melbourne centre, where the vast majority of this wool type was offered.

Overall the EMI (eastern market indicator) finished the week at 1042ac clean/kg, a good rise of 13ac clean/kg.

Merino skirtings of all descriptions sold to a fully firm pricing schedule for the entire week, with only some slight neglect of types finer than 16.5 micron. In many instances the broader pieces and good bellies types were achieving similar and sometimes higher prices than their finer counterparts, as the availability of sale lots broader than 19.0 micron continues to be less than normal.

Cardings of all descriptions resumed the strong demand trend cycle once more, and most Merino types posted small gains for the week. In the Merino section, the stained types were the only out of favour segment and sold slightly in the buyers favour, but locks and crutchings were 5ac clean/kg dearer by the close. The major move came in the Merino lambs area where a decent gain of 20 to 30ac clean/kg was attained. The larger of the price gains occurred on the longer (40mm plus) types suitable for open/broken top production. Crossbred cardings and lambs remained largely unchanged for the series with the constant demand making these types relatively well sought.

The comeback and crossbred (25 to 32 micron) market remained under the strong attention of the same Chinese operator as last week and prices on the fleece wools rose daily by 5 to 10ac clean/kg which led to closing quote gains of around 15ac clean/kg for the week. This operator purchased another 2,400 bales for the week, making a week on week buy of over 5,000 bales. Crossbred skirtings also were in stronger demand and a rise of approx. 10ac clean/kg was achieved.

There is currently over 49,000 bales rostered to sell in the next series. All types appear to be in an upward swing at the moment, and with the AUD:USD rate hovering around the 85.5 mark, a strong market for wool should rightfully be expected. Even though all three auction centres will be operating, the Melbourne sale rooms will be responsible for offering over 56% of the volume.

Industry News

Polyester projects that are already planned, financed and committed are continuing to drive an increase polyester fibre capacity in China - but first signs suggest growth is also starting to slow down.

The shake-out is due to demand growth not being as strong as expected by the polyester industry in China and elsewhere in Asia, according to consultancy firm PCI Fibres.

Commentary from Riemann

The substantial fall in the A\$ and the lift in physical wool prices seems to have given buyers a boost in confidence this week. This more upbeat outlook translated into some revived interest in the Riemann forward market to see trades for summer and autumn 2015 trading at a premium to current spot prices. The 21MPG contract was traded at 1150¢ to 1160¢/kg clean with maturity in April 2015. On the crossbred front, 28MPG contracts with maturity in December and January 2015 traded at 690¢/kg clean while 30MPG contracts traded at 660¢/kg clean for the same maturities.

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