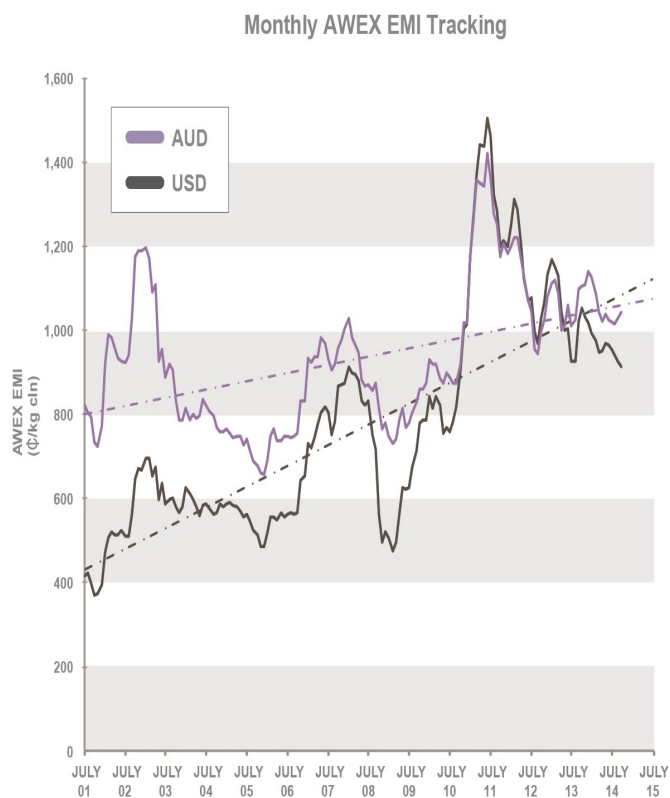




Offering		AWEX EMI				Currency movements		
Bales offered	48,058	AUD	1,047 c/kg cln	-3 c/kg	-0.29 %	AU:USD	0.8593	-1.24%
Passed-In (%)	9.8%	USD	899.7 c/kg cln	-14 c/kg	-1.52%	AU:CNY	5.2653	-1.24%
Bales Sold	43,365	CNY	55.13 ¥/kg cln	-0.85 ¥/kg	-1.52%	AU:EUR	0.6849	-2.05%
		EUR	7.17 €/kg cln	-0.17 €/kg	-2.33%			



Sale days	Wed, Thu					
	MPG	North	South	West		
17	1298	-4	1268n	-16	-	
18	1277	+1	1267	0	1212n	+9
19	1215	0	1220	-2	1196	+13
20	1183	+4	1163	-15	1181	+19
21	1160	-3	1154	-12	1158	+11
22	1146n	0	1142	-3	1142n	+5
23	-	-	1135n	-2	-	-
24	-	-	-	-	-	-
25	913	0	909n	+3	-	-
26	818	0	809n	-9	758n	-
28	703	+5	697	0	-	-
30	627	+9	660	+5	-	-
32	610n	0	611n	0	-	-
MC	791	+9	786	0	792n	-5

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	25,000	1,170	1,180
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 22	53,793 Bales	44,215 Bales
Week 23	43,950 Bales	46,547 Bales
Week 24	45,700 Bales	54,764 Bales

Forward wool prices in the above table are in AU cents and supplied by Riemann, [www.riemann.com.au](http://www.riemann.com.au)

A rather uneventful week from the Australian wool auctions this week, as prices were basically maintained around their current levels. The large offering allowed buyers to be more selective and measured in their approach to buying, and the mundane market was the result. The EMI (eastern market indicator) drifted slightly to close the series at the 1047ac clean/kg mark, which represented a reduction of 3c clean/kg.

In a similar scenario to last week, the first day saw prices across most sections get off to a cheapening trend before staging a recovery on the final day of selling to close out the series on a stronger note. The market was again strongly supported this week by the major exporting traders once again, with some good support from Chinese indent operators, whom were concentrating on very specific type orders.

The Merino fleece sector behaved very erratically between the selling centres, with the Sydney auction house extracting more from the buyers than the other centres. Prices were unusually variable at the close of selling, and differences in micron indicators of up to 20ac clean/kg were witnessed between the centres. Prices finished the week at generally unchanged levels, but Melbourne saw 10 to 15ac clean/kg lower prices in the 20 to 21 micron area.

Merino skirtings of all descriptions sold to much better demand this series, and prices escalated accordingly. Good gains of 5 to 15ac clean/kg were achieved, with the lighter VM (vegetable matter) and more stylish types being the major beneficiary of the stronger market conditions.

Cardings of all descriptions once again spent the week in the unchanged zone, apart from in Sydney, where small rises of 5 to 10 ac clean/kg were made.

The comeback and crossbred (25 to 32 micron) market remained at similar levels of demand and prices were largely the same as the previous week. Pressure around the 30micron types saw gains of 5 to 10ac clean/kg in this bracket across all centres. The 28 micron area saw a 5ac clean/kg rise in Sydney towards the close, but this strength failed to transfer to the Melbourne centre as prices in that market stayed fully firm.

Chinese buying orders remained at the forefront of the buying lists in the comeback and crossbred types and again they dominated the segment, with the 2 buyers purchasing another 4000 bales between them.

With just 3 weeks of selling left before the Xmas recess kicks in, buyers and exporters will be looking to tidy up their outstanding positions, so the next few weeks will most likely see more erratic market movements as orders are filled. Given the high local costs associated with holding wool, there appears to be a stronger resistance by buyers to hold stock through these long breaks, so some neglect may occur on some types and descriptions closer to the Xmas break time.

The AUD:USD exchange rate fell sharply after sales had concluded, and any advantage from the lower dollar will be witnessed at the start on next weeks sales.

Next week sees an auction roster currently showing over 53,000 bales to be put under the hammer. The Sydney centre will feature many of the specialist super fine types grown in the state of NSW and Qld, with the sale being a designated superfine sale.

## Industry News

Driving meaningful change towards sustainability in textiles within organisations, within the industry, and with consumers topped the agenda at last week's Textile Exchange Conference.

Speakers explored the familiar challenges facing the textile and apparel value chain, such as sustainable and organic agriculture, water use and conservation, and the discharge of hazardous chemicals. The need to find sustainable alternatives has focused on solutions such as supporting farmers, developing restricted substances lists (RSLs), recycling textile waste, and the use of waterless dyeing, digital printing, and water-based printing inks free from PVCs and phthalates.

## Commentary from Riemann

Despite the steady to lower prices seen on the physical market this week, buyer interest on the Riemann Forwards remained firm. Most bids were left unchanged from last week with buyers paying a flat price of 1150¢/kg clean for 21MPG contracts from early December until late March. Bidding for late autumn/winter is slightly lower at 1135-45¢ while prices for contracts with maturity in spring are around the 1110-1120¢/kg clean mark. Seller interest at those levels has been fairly sporadic but some trades for April 2015 have been executed this week at 1150¢ and 1190¢/kg clean for 21MPG and 19MPG, respectively

[www.wool.com](http://www.wool.com)

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