



Offering	
Bales offered	54,532
Passed-In (%)	8.6 %
Bales Sold	49,846

AWEX EMI			
AUD	1054 c/kg cln	-5 c/kg	-0.47%
USD	864.7 c/kg cln	+6 c/kg	+0.71%
CNY	53.58 ¥/kg cln	+0.16 ¥/kg	+0.30%
EUR	7.34 €/kg cln	+0.08 €/kg	+1.12%

Currency movements		
AU:USD	0.8204	+1.18%
AU:CNY	5.0839	+0.77%
AU:EUR	0.6968	+1.60%



Sale days		Tues, Wed, Thu	
MPG	North	South	West
17	1281 +9	1265n +14	-
18	1266 +23	1252 +9	1198n -10
19	1191 -14	1197 -3	1185 +3
20	1155 -18	1157 -10	1162 -1
21	1150 -10	1151 -11	1151 -6
22		1125 -18	1132n -14
23		1119n -11	-
24	-	-	-
25		916n -1	-
26	837n -11	834n -4	-
28	764 -6	761 -5	-
30	721 -7	715 +1	-
32	643n -5	626n +1	-
MC	828 -1	841n +3	816n -9

MPG and indicator data in AU cents and sourced from AWEX

Riemann Wool Forwards			
21 Micron		Values	
Maturity month	Sum of kgs	Low	High
Feb - 2015	5,000	1,170	1,170
May - 2015	7,500	1,150	1,150
Aug - 2015	2,500	1,150	1,150

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

Sale week	2014/15 forecast	2013/14 actual
Week 30	50,123	42,906
Week 31	43,170	35,141
Week 32	43,900	44,935

AWI Commentary

The large offering of over 54,000 bales this selling series met with mixed competition at Australian wool auctions. The market took varying directions within individual wool types segments with no clear direction of the overall market. As a result, the EMI (Eastern Market Indicator) drifted slightly lower to 1054ac/clean kg, which represents a 5ac/clean kg or 0.5% lower indicator.

Melbourne once again opened proceedings on a solo basis on Tuesday in a sale which featured good offerings of wools sourced from Tasmania. Not really surprising was the good level of support on the finer end (finer than 19.0 micron) of the Merino fleece selection, especially for better types exhibiting good strength or NKT (newton per kilotex) results and low calculated CVH (coefficient of variation of hauteur) below 45%. Some of these selected lots were up to 15ac dearer, and when accounting for the cost of relocating to Melbourne for shipment represented a "real" gain of over 30ac/clean kg. All coarser microns drifted lower with less competition making all these types 10 to 20ac/clean kg cheaper.

Unlike the trends of previous months, once Fremantle and Sydney joined in on the Wednesday, prices continued to drift in those 2 centres in the Merino and Crossbred sector from 19 to 28 micron and a further 5ac/clean kg was lost, but Melbourne actually remained firm and became slightly dearer. Thursday saw all these types, in all centres make a good recovery of 10ac/clean kg and as a result a weekly quotation saw prices 5 to 15ac/clean kg lower..

Superfine (18.5micron and finer) Merino fleece type sale results were a stark opposite to the other market sectors. The better types were in very strong demand, and levels rose by at least 30 to 40ac/clean kg as 3 buying interests competed aggressively against the Italian indents to secure some supply. In some cases, the best end of the market showed selected lots at levels of 80ac higher.

Industry News

Experts say that textile and clothing production could very well be shifting from China to India. It is believed this may be in result of joint ventures such as that between India's Reliance Industries and China's Shandong Ruyi Science & Technology Group (recently announced) causing inspiration within the industry.

Devkishan Manghani, chairman of textile trade for the Southern Gujarat Chambers of Commerce commented that the aim of the joint venture is to "try and capture the global market". He also stated the idea may be to "make the Reliance production feed Chinese manufacturing, thereby achieving more competitive exports".

The fine and medium (19 to 23 micron) Merino fleece sold mostly to a very cautious approach from sale room operators, as a large offering of the standard volume China types of 19.5 and 21.0 micron were available. Quotations were around 15ac/clean kg lower by the close in the 2 Eastern Australian auction centres, but the Western Australian auction at Fremantle closed to a good tone, and were only par to 5ac/clean kg lower for their sale series.

Merino skirtings of most descriptions drifted lower throughout except for the better broken types. Prices fell by 10ac/clean kg the close, but a better level of competition was seen at the weeks end..

Cardings of all types and descriptions remained firmly in buyers sights, but the very good rise of last week could not be extended. Most types remained around their existing quoted basis, with only the locks and stained types losing a cent or two for the series.

The impressive bull run in the Crossbred and Comeback fleece (25 to 32 micron) segment of the wool market somewhat stalled this week, with all types generally unchanged to slightly lower as large offerings seemingly managed to quell the buyers appetite for these types for the time being. The same Chinese indent operators still led the buying lists with good support from our 2 top forward selling exporters.

Next week will see another large offering with over 50,000 bales offered to the trade. With these volumes available the impending fortnight's shutdown for Chinese New Year celebrations commencing 17th February combined with a strengthening AUD against the USD, we can assume the market will do well to hold onto prices around the current levels. However, a very solid closing sale at Fremantle this week is an indicator for a reasonably good market the following week.

Commentary from Riemann

Despite the 10¢ drop in medium wool prices in the physical market this week, buyers have largely left their rates unchanged for the 21MPG contracts. Overall, bids are still ranging from 1140¢ for Feb/March down to 1130¢/kg clean for spring/summer. Seller interest has been relatively restricted since auction sales resumed with only one 21MPG contract for January 2016 delivery traded this week at 1137¢/kg clean. Buyer interest for longer dated (spring/summer) 19.5MPG contracts was also observed in the last few days with bids around the 1170¢ mark, or 40¢ above 21MPG contracts. Yet, most producers are still waiting for better fine wool premiums to start shifting from 21 to 19.5MPG (and finer) contracts.

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