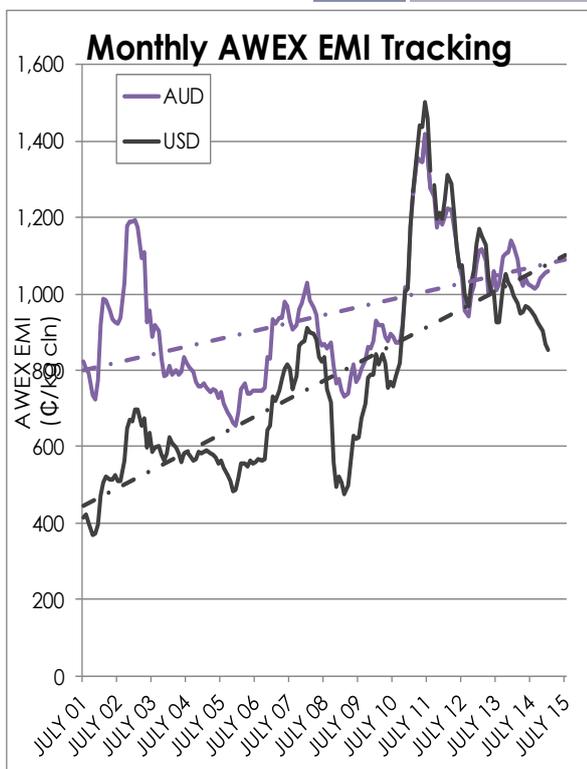




Offering	
Bales offered	<b>52,021</b>
Passed-In (%)	<b>13.0%</b>
Bales Sold	<b>45,235</b>

AWEX EMI			
AUD	1092 c/kg cIn	<b>-9 c/kg</b>	<b>-0.82%</b>
USD	835.2 c/kg cIn	<b>-20 c/kg</b>	<b>-2.36%</b>
CNY	52.17 ¥/kg cIn	<b>-1.32 ¥/kg</b>	<b>-2.47%</b>
EUR	7.38 €/kg cIn	<b>-0.15 €/kg</b>	<b>-1.99%</b>

Currency movements		
AU:USD	<b>0.7648</b>	<b>-1.56%</b>
AU:CNY	<b>4.7776</b>	<b>-1.66%</b>
AU:EUR	<b>0.6761</b>	<b>-1.18%</b>



Sale days		Wed, Thu	
MPG	North	South	West
17	<b>1363 -25</b>	<b>1327 -30</b>	-
18	<b>1321 -50</b>	<b>1313 -33</b>	<b>1233n -20</b>
19	<b>1211 -36</b>	<b>1217 -26</b>	<b>1207 -14</b>
20	<b>1167 -19</b>	<b>1173 -15</b>	<b>1172 -19</b>
21	<b>1158 -19</b>	<b>1170 -17</b>	<b>1158 -18</b>
22	<b>1157n -10</b>	<b>1168 -7</b>	<b>1151n -5</b>
23	<b>1145n -12</b>	<b>1158n -3</b>	-
24	-	-	-
25	<b>961n -1</b>	-	-
26	<b>875n +5</b>	<b>873n +10</b>	-
28	<b>809 0</b>	<b>803 +1</b>	-
30	<b>775 +10</b>	<b>774n +4</b>	-
32	<b>676n -2</b>	-	-
MC	<b>909 +21</b>	<b>921 +30</b>	<b>880n +8</b>

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
Jun - 2015	2,000	1,132	1,132
Jul - 2015	5,000	1,132	1,132
Aug - 2015	2,500	1,150	1,150
Sep - 2017	17,000	1,150	1,155
Oct - 2015	5,000	1,135	1,135
Nov - 2015	7,000	1,150	1,150
Dec - 2015	27,000	1,150	1,150
Jan - 2016	20,000	1,137	1,157
Mar - 2016	10,000	1,140	1,140
<b>Total</b>	<b>102,500</b>	-	-

Sale week	2014/15 forecast	2013/14 actual
Week 34	59,144	45,893
Week 35	44,752	39,833
Week 36	46,600	42,323

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

The good run of price rises came to a halt this week at Australian wool auctions as rapidly growing upcoming auction volumes seemed to spook the spot market for the time being. The Merino Fleece sector came under some negative adjustment, but all other sectors fared exceptionally well. Whilst the EMI (Eastern Market Indicator) lost 9ac/clean kg to finish the week's selling at 1092ac/ clean kg, very diverse results were achieved over the different market segments, as buyers exercised caution heading into the slowdown that occurs over the Chinese New Year period.

Superfine Merino Fleece of 18.5 microns and finer came under pressure this week on average types, as large offerings of hard to place wools hit the market at the same time. In what was pleasing to see, the better end of the selection was again well supported by multiple buyers and price levels were maintained throughout to be fully firm at the close. A slight easing back was witnessed at the close, but nothing too severe. The Tasmanian selection of spinners and best top making types on sale in Melbourne were sold to season high prices and competition was strong. The weaker strength, high Pobm (position of break in the middle) types met a vastly differing market, as buyers carried a negative tone into the sale rooms. As a result, these wools fell to levels of generally 50ac/ clean kg lower, with the lowest edge even more. This area was the main driver in the falling of the micron price guides.

Fine and medium (19 to 23micron) Merino fleece was far less reactionary and general falls of just 10 to 15ac/ clean kg were recorded. Good buying interest from the larger Chinese indent buyers saw comparatively stronger competition in this market sector. There were far fewer harder to place tested lots for these wools, which helped their demand.

Meanwhile Merino skirtings of all types and descriptions met with an uplift in demand, and managed to put on a healthy rise of up to 40ac/ clean kg for the better types. An average price rise of 25ac/ clean kg was recorded, and quite often on the final day these types were close to the price levels of poorer fleece wools of the same micron.

The carding market remains in record territory and the price rises of the past month extended even further this week, with large increases within certain types of up to 50ac/ clean kg. Both Eastern Australian carding indicators recorded rises of 20 to 30ac clean kg.

Buying intent continues strongly into the Crossbred (25 to 32micron) area of the market, and prices were basically fully firm to 10ac/ clean kg dearer. The lower dollar assisted and once more the large Chinese indent buying firm out-purchased its nearest competitor by 2:1.

Merino fleece came under price pressure from exporters as volumes of wool to be sold in the near future escalated exceptionally. The number of bales to be sold next week has risen from a forecast issued 2 weeks ago of 43,800 bales to a current roster of over 59,000 bales now up for auction, representing a rise of 35%. Combined with the fact that China is basically on holidays for next 2 weeks, exporters are expecting very few L/C's (Letters of Credit) to be opened as banks also shut down. Obviously the volume increase has thrown wool buyers plans into disarray as far as managing finances go, hence the abrupt halt in buying strength in our Merino fleece auction rooms.

## Industry News

According to a recent report, the UK's economy is experiencing year-on-year export and domestic growth, with the textile and clothing industry currently worth close to US\$13.71bn

Based on government figures, there were 5,000 jobs created in the textile and clothing sector in 2014, with potential for 15,000 new posts by 2020 and opportunities in traditional areas like textile manufacturing proving to still be very relevant. In terms of sectors, the UK still has "significant capabilities" in areas such as yarn-spinning, knitting and weaving, and making-up (Cut Make Trim/CMT), alongside growth in more modern areas such as technical textiles, materials and composites.

## Commentary from Riemann

After a solid uplift in trading activity on the Riemann Forward market last week, buyers acted more cautiously this week as a result on the pull back in physical wool prices. Most bids were revised 5-10¢ lower with 21MPG contracts down to 1155¢ for March deliveries to 1150¢ in April/May. Many producers tried to take advantage of the improved prospects from last week and placed some fresh Good Til Cancel (GTC) orders for autumn deliveries with prices varying from 1170¢ to 1180¢/kg clean. Yet, with easing physical wool prices, they failed to attract much interest from buyers.

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