

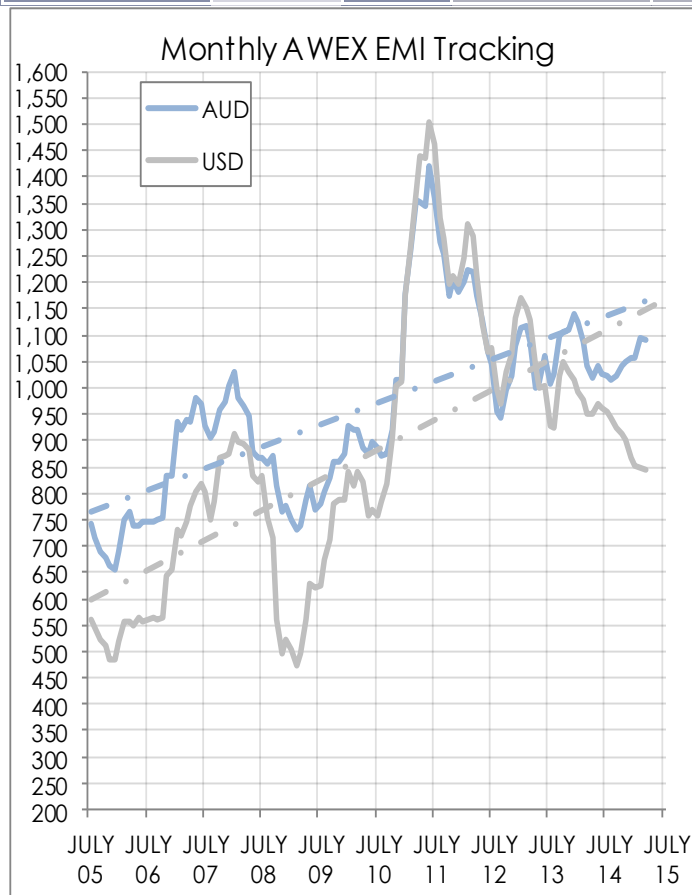
WOOL MARKET WEEKLY REPORT

Sale Week 42: Fri 17th Apr 2015

THE WOOLMARK COMPANY

awil
Australian Wool Innovation Limited

Offering		AWEX EMI				Currency movements		
Bales offered	54,230	AUD	1130 c/kg cln	+24 c/kg	+2.17%	AU:USD	0.7743	+1.36%
Passed-In (%)	3.3%	USD	875 c/kg cln	+30c/kg	+3.56%	AU:CNY	4.7990	+1.39%
		CNY	54.23 ¥/kg cln	+1.88 ¥/kg	+3.59%			
Bales Sold	52,460	EUR	8.19 €/kg cln	+0.36 €/kg	+4.61%	AU:EUR	0.7251	+2.39%



AWEX Auction Micron Price Guides.

Sales held on Tuesday, Wednesday & Thursday

MPG	North	South	West
17	1358 +11	1337 +9	-
18	1341 +36	1325 +27	1287n +45
19	1269 +49	1249 +27	1256 +38
20	1222 +33	1212 +35	1213 +26
21	1200 +27	1198 +35	1192 +23
22	1159n +24	1157 +31	1161n +11
23	-	1132n +27	-
24	-	1080n	-
25	1004n +5	1005n +2	-
26	946n +16	950n +25	-
28	847 +9	847 +9	-
30	802 =	797 +5	-
32	698n =	699n =	-
MC	971 +22	986 +11	951n +4

Riemann Wool Forwards - TRADES this week

Maturity date	Type	Price	Sum of kgs
27th May '15	19.0 micron	1,235	5,000
27th May '15	21.0 micron	1,179	5,000
27th May '15	21.0 micron	1,185	5,000
10th June '15	19.5 micron	1,220	2,500
5th Aug '15	21.0 micron	1,155	10,000
26th Aug '15	21.0 micron	1,155	10,000
9th Sept '15	21.0 micron	1,150	2,500
9th Dec '15	28.0 micron	800	2,500
Total			42,500

Upcoming Wool Auction Sales

Sale week	2014/15 forecast	2013/14 actual
Week 43	46,426 bales	NO SALE
Week 44	40,200 bales	42,495 bales
Week 45	39,280 bales	31,911 bales

Australian wool auction sales resumed after the Easter recess this week, and buyers attacked the selection with vigour from the outset. Every type and description on offer in the Merino area attracted the strongest of competition seen for quite some time, continuing the dearer trend initiated prior to the one week break in sales. In general terms the Merino sector was 30 to 50ac/clean kg dearer whilst the crossbreds were relatively more subdued, but still managed to add 5 to 10ac/clean kg to the established market quotations. By the close of selling, a handy 24ac/clean kg gain in the EMI (Eastern Market Indicator) was recorded to finish at a level of 1130ac/clean kg.

Whilst the EMI in Australian dollar terms rose by over 2% for the week, more significantly, the EMI strengthened between 3.5% to 4.5% when expressed in the major trading currencies. The Euro users were most affected, with the market finishing a general 4.6% higher for the week for those buying in Euro.

A small offering of the ultrafine (16.5micron and finer) Merino fleece was extremely well sought and continued signs of price recovery in this area is becoming more evident. With the latest key test data figures indicating a large reduction in production in this area, users of these types are increasing their buying activity, but the larger price gains are predominantly on the better specified types suitable for luxury worsted manufacture. Super fine Merino fleece (16.5 to 18.5 micron) types gained between 15 and 35ac/clean kg, with the broader edge of the type bracket coming under most attention. Whilst all types were dearer, a large portion of the average gains were achieved on the lower types which closed the price gap to their better counterparts.

The fine wool (18.6 to 20.5 micron) and medium (20.6 to 23 micron) Merino fleece sectors saw the most severe of the weeks competition. Chinese indent orders were dominating over forward sellers and the resultant rivalry saw an escalation of prices by upwards of 50ac/clean kg /clean kg for the week. Well specified 19 to 21 micron FNF (less than 1%vm) were the types most sought after.

Merino skirtings followed the dearer pattern set by the fleece market, and widespread price gains across the selection became apparent early in the week. All types finer than 18.5 sold upwards of 40ac/clean kg dearer for the week, with the 19.0 and broader skirtings gaining 25 to 30ac/clean kg. Of most interest were any types containing less than 3% in vm. As with the Merino fleece, competition was very strong and continued throughout., although the market in all centres on the final day was quoted as being firm unchanged, so most of the rise occurred earlier in the week.

Cardings of all types and descriptions continue the bull run and pushed higher into record levels. The buying interest from overseas continues unabated, with the knitwear manufacturing obviously going very well and seemingly able to absorb these high prices for the time being. All types were dearer by upwards of 20ac/clean kg for the week, with most of the gains being posted on the first two days of selling. Some notably historically high prices are being paid for very short (less than 30mm) wools suitable for carbonizing.

Open/broken top descriptions continued to trade at strong levels and all types were generally 25 to 35ac/ clean kg dearer with the most pressure being at the super fine end of the offering..

Crossbred and comeback (25 to 32micron) fleece were all fully firm to 10ac/clean kg dearer, but buying continued at a far more measured pace than the Merino sector. An exception to the general market was a large spike of 30ac/clean kg around the 26 micron area, although quantities available were minimal.

Next week has a roster of around 46,500 bales to go to auction. With the final day of selling this week in what appeared to be a consolidation mode, an expectation by most participants of a largely unchanged but strong market next week abounds. With quantities available expected to fall dramatically over the next 2 to 3 months, most observers remain bullish as to the short to medium term prospects of the market.

Industry News

For the past 50 years , Asia has been the primary garment supplier to the USA.. As of 2014, Asia's top six suppliers still account for over two-thirds of all USA garment imports. Table: TOP ASIAN SUPPLIERS ...Source : just-style.com

WORLD RANK	COUNTRY	2010	2011	2012	2013	2014
1	CHINA	39.20 %	37.80 %	37.80 %	37.30 %	36.40 %
2	VIETNAM	8.20 %	8.60 %	9.20 %	10.20 %	11.30 %
3	BANGLADESH	5.50 %	5.80 %	5.80 %	6.20 %	5.90 %
4	INDONESIA	6.20 %	6.50 %	6.40 %	6.20 %	5.90 %
6	INDIA	4.40 %	4.30 %	4.00 %	4.00 %	4.20 %
8	CAMBODIA	3.10 %	3.30 %	3.30 %	3.20 %	3.00 %
		66.60 %	66.30 %	66.60%	67.20 %	66.80 %

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