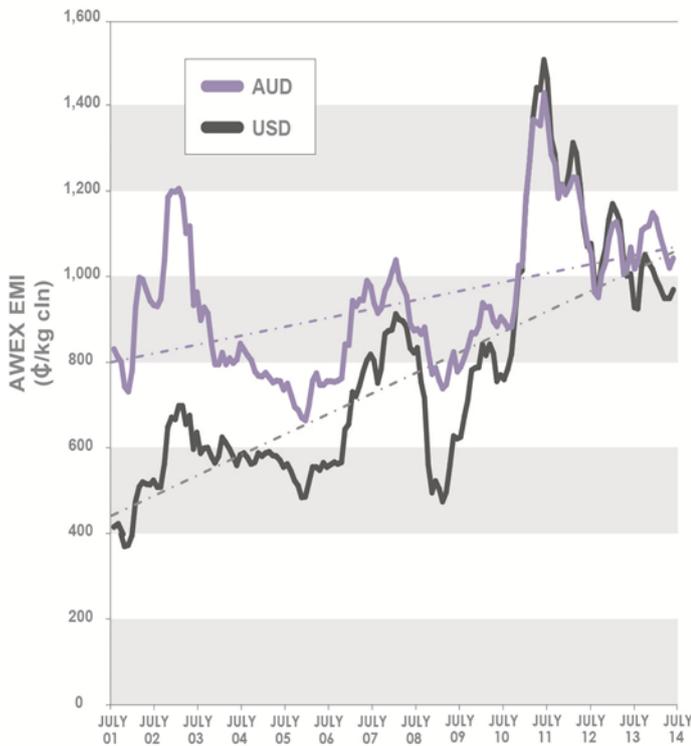




Offering		AWEX EMI				Currency movements		
Bales offered	27,577	AUD	1037 c/kg cln	-3 c/kg	-0.29%	AU:USD	0.9278	-0.05%
Passed-In (%)	9.1%	USD	962 c/kg cln	-3 c/kg	-0.34%	AU:CNY	5.8019	+0.03%
Re-offer (%)	14.8%	CNY	60.17 ¥/kg cln	-0.16 ¥/kg	-0.26%	AU:EUR	0.6822	-0.04%
		EUR	7.07 €/kg cln	-0.02 €/kg	-0.33%			

Monthly AWEX EMI Tracking



Sale days		Wed, Thu		
MPG	North	South	West	
17	1257 -8	1251 +3	-	
18	1197 -16	1202 +5	-	
19	1168 -16	1173 -3	-	
20	1147 -13	1147 -6	-	
21	1142 -15	1140 -5	-	
22	1131n -10	1132 -1	No	
23	1124n	1123n -3	Sale	
24	-	-	-	
25	-	-	-	
26	-	-	-	
28	685 +5	677n -5	-	
30	636 -5	639n -2	-	
32	568n +0	-	-	
MC	803 +13	792 +4	-	

MPG and indicator data in AU cents and sourced from AWEX

Sale week	2013/14 forecast	2012/13 actual
Week 50	35,597 bales	31,547 bales
Week 51	22,911 bales	24,478 bales
Week 52	33,700 bales	37,984 bales

Riemann Wool Forwards				
	19.0 µm	19.5 µm	21 µm	22 µm
09/07/14	-	-	1160	-
-	-	-	-	-
-	-	-	-	-

ICAP Wool Forwards						
China Wool Type	54p (18.5 µm)		55 (21.0 µm)		T424 (28.8 µm)	
	Low	High	Low	High	Low	High
Jun-14	-	-	-	-	-	-
Jul-14	-	-	-	-	-	-
Aug-14	-	-	-	-	-	-

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

AWI Commentary

Australian wool markets presented a very light volume of 26,066 bales for sale this week. As can quite often happen in such small offerings, the market was uninspiring and basically maintained the ruling price levels. Only minor price alignments between centres occurred. With only the two eastern selling centres operating, auction participants were using cautious buying strategies and were reticent to force the market either way. By week's end this resulted in the AWEX EMI drifting downwards a very minor 3cents clean/kg.

The Merino fleece sector opened to a cheapening Sydney market and a firm Melbourne auction. Within the first few pages of selling, prices between centres managed to almost immediately align, thus correcting the previous week's disparity in closing quotations. Generally speaking the Merino fleece market then proceeded to trade firm unchanged for the rest of the week. Interesting to note was the continuing strength of the few pockets of better style and strength types less than 19.0 micron. Whilst not reflected in market indicators, these types became 10 to 15cents clean/kg dearer for the week, and even though prices are still rather mundane, there are signs of a keener demand for the better superfine descriptions. A very small selection of sub 16.0 micron fleece wools sold in Sydney to prices 30 to 45cents clean/kg better than the established rates from a few weeks back.

Merino skirtings in very small offerings sold to good demand and prices remained steady. The only quotable change came in the pieces and bellies coarser than 19.5 micron, which showed an appreciation of 10 to 15cents clean/kg by the close of selling.

Crossbred and comebacks types 25 to 32 micron sold to a largely unchanged market, with prices very similar to established levels. A minor selection of comeback fleece types

finer than 27 micron were charting into positive territory, and gains of 5 to 10cents clean/kg were recorded, albeit on very few bales sold.

The Merino cardings sector became progressively dearer throughout. Most affected were the locks and stains types which were 15cents clean/kg dearer, contributing mostly to the 5 to 10cents clean/kg gains on the carding market indicators. Once again the short supply situation was predominantly the reason for the positivity.

Next week will see the western market at Fremantle re-join the Australian auctions, and volumes on offer will rise to approximately 36,000 bales. The continuation of the stop/start nature of the market is expected to remain in play, with prompt demand from the Chinese indent operators the likely source of market direction as forward sellers remain uninterested in selling beyond the August delivery point.

Commentary from ICAP

Wool prices at auction this week failed to deliver on the previous firming trend, despite the reduced offering, with the AWEX EMI easing 3 cents to 1037 cents/kg.

The consensus only a week ago of firming prices, based on improving global wool demand and limited supply, did not materialise. On our ICAP Wool Charts, wool prices are still wedged in a fairly tight trading range, and as mentioned last week, this type of range-bound price action usually builds momentum that typically precedes quite a powerful price move. On our charts the market continues to test the topside in price, but so far has lacked strength to break this resistance. It is hoped that fresh wool demand after the "recess" may see wool prices "break-out" to the topside, and initiate a new price rally.

Commentary from Riemann

After a revival in buyer interest for spring cover in previous weeks, the focus returned to short term deliveries this week. Despite firm bidding at the start of the week with best bids for 21MPG contracts at 1160¢/kg clean for June/July/August deliveries, only 5,000kg were traded at this level with maturity in early July. By Thursday, bids for 21MPG retreated back to 1140¢ for the near months and down to 1080¢ for spring delivery, a 60-80¢ fall from trades executed last week.

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