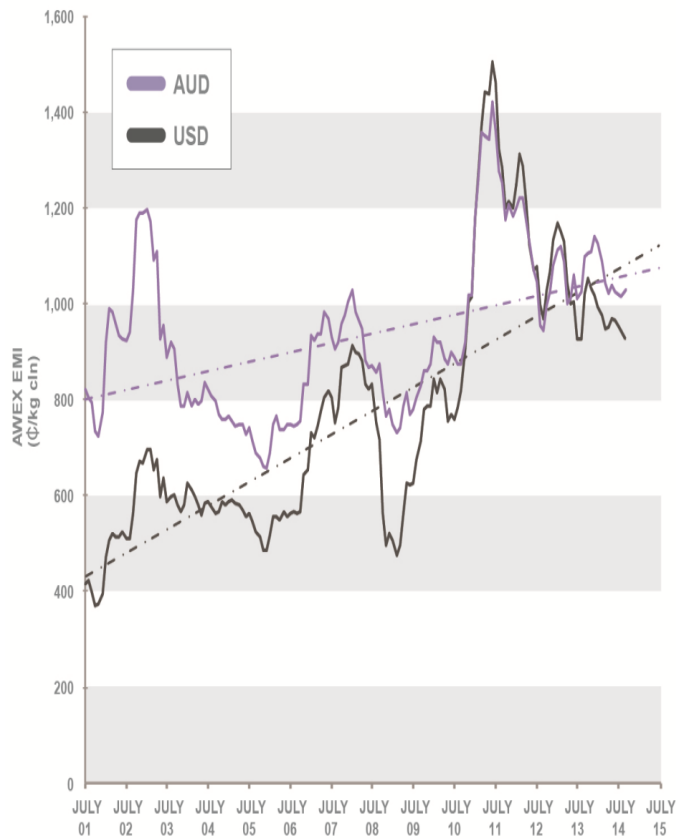




Offering		AWEX EMI				Currency movements		
Bales offered	40,893	AUD	1051 c/kg cln	+13 c/kg	+1.25%	AU:USD	0.8883	+0.79%
Passed-In (%)	6.1%	USD	934 c/kg cln	+19 c/kg	+2.06%	AU:CNY	5.4473	+0.68%
Re-offer (%)	8.0%	CNY	57.25 ¥/kg cln	+1.09 ¥/kg	+1.94%	AU:EUR	0.6967	-0.03%
		EUR	7.32 €/kg cln	+0.09 €/kg	+1.22%			

Monthly AWEX EMI Tracking



Sale days		Wed, Thu		
MPG	North	South	West	
17	1286 +23	1265n +28	-	
18	1258 +21	1247 +18	1195n +2	
19	1201 +8	1201 +16	1173 +0	
20	1179 +24	1171 +22	1156n +14	
21	1166 +20	1166 +27	1143 +11	
22	1156n +28	1155 +23	1128n +11	
23	-	1139n +17	-	
24	-	-	-	
25	-	947n +0	-	
26	820n +0	828n +3	-	
28	683 -1	680 +0	-	
30	663 +3	661 -1	-	
32	614n +1	619n +2	-	
MC	785 +8	788 +13	794n +12	

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	55,500	1160	1170
Dec – 2014	26,500	1125	1150
Jan – 2014	10,000	1170	1170

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 16	50,304 Bales	46,249 Bales
Week 17	45,670 Bales	42,967 Bales
Week 18	46,500 Bales	45,127 Bales

AWI Commentary

The gains of last week at Australian wool auctions extended into this series with some handy price gains again being extracted from the market. Competition was strong from the outset of selling, with short covering by exporters leading the way. The rises were restricted to the Merino area of the market, with the Crossbred sector basically consolidating around their established levels.

The EMI (eastern market indicator) finished the series at a level of 1051ac clean/kg, representing an average rise of 13ac clean/kg for the week. Whilst the lower quality edge of the Merino selection came under stronger attention, their movement in price only shadowed that of the better Merino types, resulting in an unchanged price gap across all microns.

Exporters reported continued opportunities for new forward sale business, and in fact, more quantity than some wanted to individually handle in specific type areas. The obvious price advantage in buying in USD is certainly aiding in the strength of the market, but the lack of greasy wool stocks available in front of machines globally is probably more relevant.

The Merino fleece offering of all types sold under strong buying competition throughout the sales series, with prices adding a general 15 to 25ac clean/kg to their levels. The better tested sale lots remain the most sought, with some individual lots being bought at what appeared to be “at best” levels. Prices held on to the close of selling, although some weakness appeared on the lowest edge quality types in the 19 to 20 micron sector of the Merino fleece.

Merino skirtings and cardings of all descriptions sold to levels of 10 to 15ac clean/kg for the week. The lower VM (vegetable matter) merino skirting types were being most keenly sought, as buyers are anticipating a rise in VM levels over the coming months.

Cardings boosted a further 10ac clean/kg, with all types in the segment being chased reasonably hard by auction room buyers. Open/broken top production types continued under some intense buying pressure again and competition was being strongly aided by the general lack of supply, as a lot of the current selection is being valued as being “too short”.

The comeback and crossbred (25 to 32 micron) market traded on a largely firm unchanged basis throughout, with just some minor adjustments to the established levels. Demand continues to be apparent, although the overseas buyers seemed to have a hit their price sensitivity levels, and are displaying a somewhat more cautious approach to volumes being bought in.

Next week has seen offering volumes grow as the market strengthens, and current rosters show a figure of over 50,000 bales being available to the trade. As a designated super fine sale series, local buyers are expecting a higher number of better tested lots, and as such, consolidation, seems to be the key word, although many industry participants are of the short to medium term bullish in their appraisal of the wool market prospects.

Industry News

The Indian government is trying to attract higher levels of investment into the country's garment and textile industry through its new 'Make in India' Campaign. The professed aim of the new programme, which spans all industries but does not detail specifics on incentives—is to transform India into a global manufacturing hub, with clothing and textiles at the heart of the strategy

In September it was an extremely challenging month for the UK retail sector, fashion chains reported a drop in sales due to unseasonably warm weather and cautious spending.

Commentary from Riemann

Buyers and Sellers returned to the Riemann Wool Forwards markets this week gaining confidence from a strong result in the wool auction market. Trading all executed mid-week, with just shy of 30 tonnes trading.

This provided Riemann with a heart starter after a long period of low activity, with trades executed for October to December 2014 as well as January 2015 at the current market levels or better. Growers and traders returned to the forward market with the 21 MPG contracts generally trading at a slight premium to current auction values.

Continued solid results in the auctions will see more growers begin to place orders for late 2014 and into 2015.

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