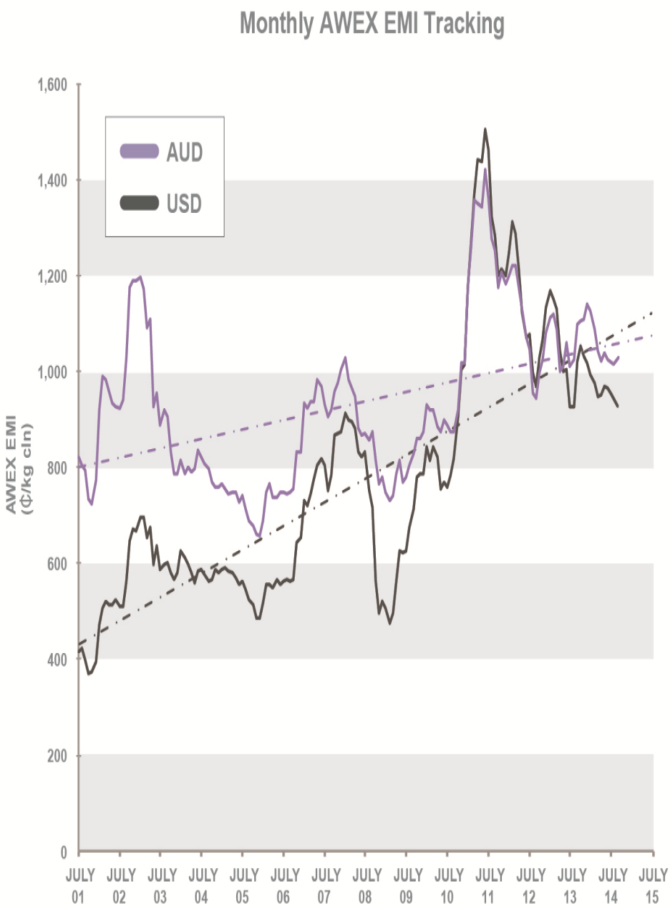
WOOL MARKET
WEEKLY REPORT

Sale Wk 16:Fri 17th October 2014

Offering	
Bales offered	48,719
Passed-In (%)	11.9%
Re-offer (%)	5.2%

AWEX EMI			
AUD	1044 c/kg cln	-7 c/kg	-0.67%
USD	918 c/kg cln	-16 c/kg	-1.73%
CNY	56.18 ¥/kg cln	-1.07 ¥/kg	-1.87%
EUR	7.15 €/kg cln	-0.17 €/kg	-2.29%

Currency movements		
AU:USD	0.8788	-1.07%
AU:CNY	5.3813	-1.21%
AU:EUR	0.6853	-1.64%



Sale days	Wed, Thu		
MPG	North	South	West
17	1305 +19	1258 -7	-
18	1266 +8	1240 -7	1173n -22
19	1191 -10	1191 -10	1157 -16
20	1159 -20	1147 -24	1147 -9
21	1151n -15	1143 -23	1137 -6
22	1146n -10	1135 -20	1131n +3
23	-	1123n -16	-
24	-	-	-
25	-	946n -1	-
26	816n -4	834n +6	-
28	860 -3	676 -4	-
30	653 -10	654 -7	-
32	615n +1	613n -6	-
MC	786 +1	785 -3	793n -3

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	16,500	1160	1170
Dec – 2014	9,000	1125	1150
Jan – 2014	2,000	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 17	48,824 Bales	42,967 Bales
Week 18	46,580 Bales	45,127 Bales
Week 19	43,300 Bales	43,417 Bales

AWI Commentary

Australian wool auctions staggered slightly this week under the large offering put before the trade. With the eventual volume falling just short of 50,000 bales, it was only the best super fine Merino types that extended their gains, and only in the Sydney centre, where a large selection of wool sourced from the New England district featured prominently. These better wools managed to put on a further 15ac clean/kg whilst all other sections corrected to varying degrees after the impressive rises of the past two weeks.

The EMI (eastern market indicator) finished the series at 1044ac clean/kg, representing a modest reduction of 7ac clean/kg. The main impact on the EMI heading lower arose from the familiar lack of interest on high pobm (position of break middle) merino fleece types. These types were in abundance once again, and most microns showed price levels at 20 to 25ac clean/kg lower by weeks end. With the higher quality Merino fleece types getting 15ac clean/kg dearer the price gap across the 19.0 micron and finer area extended to around 140ac clean/kg.

Merino skirtings of all descriptions sold to largely unchanged to slightly cheapening tendency throughout. Demand was described as being solid through to the close under the larger volume available to exporters. Whilst the better merino skirtings remained at similar levels, the large majority of the selection eased back progressively and slowly and only a 5 to 10ac clean/kg loss was evidenced on the closing quotations.

Cardings of all descriptions remained under strong attention from the buying fraternity, and prices managed to hold onto their established quotations. The increasing appetite for types suitable to open/broken top production was still in play, with the general lack of supply of types at the correct length being the main factor on the upward price pressure.

The comeback and crossbred (25 to 32 micron) market drifted throughout the week of selling. By weeks end a 5 to 10ac clean/kg reduction was evidenced, as the major buyers of these types recognized the apparent price sensitivity levels emanating from China.

Next week has a roster currently showing a touch over 48,000 bales being on offer. With all global wool markets showing a softening this week, we can expect a somewhat cautious approach from the outset by auction buyers in certain areas of the market. Better finer types are still in good demand and prices should be maintained, but overall market indicators will be determined by the strength of buying in the lower end of the market selection.

Industry News

Experts on China’s textile and apparel industry say that international brands must take increase in care to ensure their sourcing is environmentally and socially responsible, ahead of an anticipated tightening of government restrictions.

Import cargo volume at the US major retail container ports is expected to set a new monthly record in October. Increase congestion at the US ports as well as the ongoing west coast labour negotiations are ongoing concerns and retailers are making one last push to make sure they are stocked up for the holidays.

Commentary from Riemann

No volume this week, bids about 10 cents below last week.