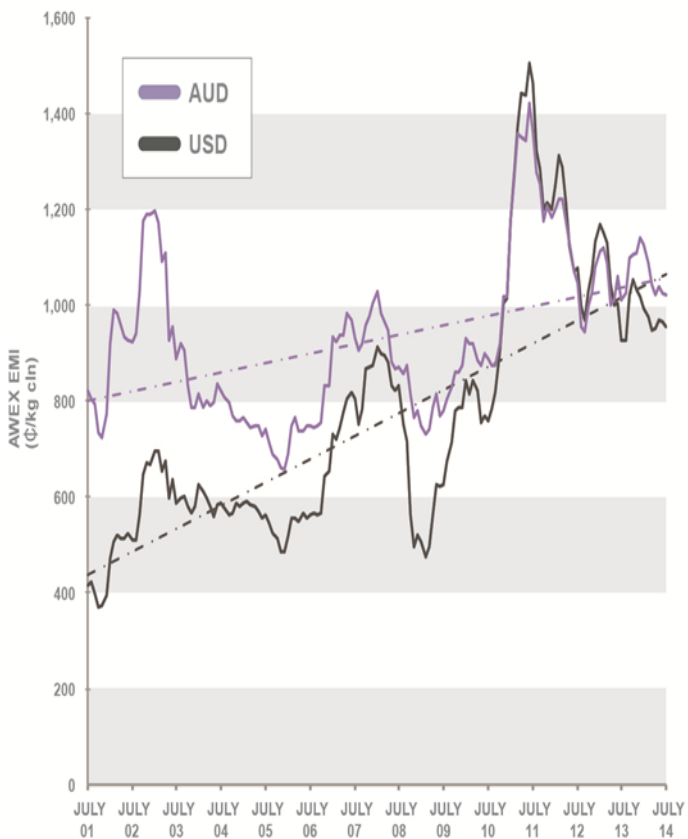




Offering		AWEX EMI				Currency movements		
Bales offered	40,296	AUD	1023 c/kg cln	+0 c/kg	+0.00%	AU:USD	0.8820	-1.65%
Passed-In (%)	9.6%	USD	902 c/kg cln	-15 c/kg	-1.65%	AU:CNY	5.4125	-1.77%
Re-offer (%)	9.4%	CNY	55.37 ¥/kg cln	-1.00 ¥/kg	-1.77%	AU:EUR	0.6909	-0.88%
		EUR	7.07 €/kg cln	-0.06 €/kg	-0.88%			

Monthly AWEX EMI Tracking



Sale days		Wed, Thu		
MPG	North	South	West	
17	1250 +4	1223n -2	-	
18	1217 +6	1214 +3	1183n +10	
19	1162 +1	1168 -5	1162 +9	
20	1126 -2	1127 -1	1127 +0	
21	1121 +4	1122 +0	1123 +7	
22	1094n	1117 +5	1107n -4	
23	1088n	1109n +4	-	
24	-	1048n	-	
25	-	917n +6	-	
26	803n +5	795n +7	-	
28	671 +3	667 +0	-	
30	655 +4	648 -6	-	
32	600n	605n +5	-	
MC	775 -3	772 +3	781n -1	

MPG and indicator data in AU cents and sourced from AWEX

Riemann Wool Forwards			
21 Micron		Values	
Maturity month	Sum of kgs	Low	High
Aug – 2014	55,500	1160	1170
Sep – 2014	26,500	1125	1150
Nov – 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 14	47,011 Bales	42,492 Bales
Week 15	41,950 Bales	38,592 Bales
Week 16	46,200 Bales	46,249 Bales

AWI Commentary

The Australian wool market consolidated this week, with very little change to buyers' strategies. The AWEX EMI (Eastern Market Indicator) closed the week as it started, at 1023ac clean/kg (Australian cents).

The better tested Merino types continue to be well sought, and prices are creeping slightly higher for types finer than 18.5 micron and drifting slightly lower for the broader end of the spectrum. The relatively large offerings of high POBm (position of mid-break) and calculated CVH (Co-efficient of Variation of Hauteur) sale lots remain at similar discounts which is quite a shame, as a lot of these wools are quite stylish and well grown, yet are only achieving prices slightly better than skirtings of a similar micron. These fleece types in the 17 to 21 micron range are showing a spread of approximately 45ac clean/kg.

Merino skirtings and cardings of all descriptions are still in good demand, and market levels are still at the higher end of the percentile bands for the prices currently being achieved. The comeback and crossbred sector remain in favour with the finer types edging higher and broader types easing just a fraction.

As widely expected by many of our overseas customers and local traders, the Australian dollar weakened further throughout the selling week, and now sits around the 0.88 mark against the USD. Towards the end of the week, some new business from China was being reported, but booking levels were at levels not considered good enough to take the market in an upward direction.

The Merino fleece offering featured a larger number of superfine 18.5 micron and finer wool of better style and strength lots this week. Being a designated superfine week, the Italian interests were very keen to source the best of the selection, which they did with gusto. Competition was very keen for any lots better than 38Nkt (Newtons per kilotex, wool staple strength) exhibiting a best top making to spinners style.

Whilst prices remained at similar levels, it was pleasing to see the larger volume of these types being absorbed into the better priced orders. A very handy premium of over 150ac clean/kg exists for these types over the lower end quality types. The types broader than 19 micron somewhat struggled through the sales, but as the week drew to a conclusion, some new found support managed to kick these types upwards by a small 5ac clean/kg.

Skirtings and cardings traded throughout at largely firm unchanged levels for the week once again, but demand seems to be consistent. Types suitable for open/broken top production appeared to have found a level once again, and competition seems to be getting better.

The comeback and crossbred (25 to 32 micron) market continues to trade well locally, as the good price rises of last week were largely maintained. The finer comeback segment (25 to 27 micron) managed to extend the mini rise further as 5 to 10ac clean/kg was added to the quotes. The broader (28 micron plus) types had a mixed week, as the Sydney auction gained a few cents and the Melbourne centre lost a few cents.

Next week will feature a large offering of around 47,000 bales, with around 56% of the volume to be sold in Melbourne. Fremantle will hold their auction sale over just one day on Wednesday. Offering figures show that the just completed first quarter of this selling season had volumes at levels 4.6% below the same period last year. With the AUD:USD exchange rate at a seemingly very attractive level, hopefully we can see the quantity up for sale absorbed at similar to higher levels.

Industry News

New knitwear and garment industry-friendly policies are being implemented by the new Indian government, led by the BJP (Bharatiya Janata Party), which the Indian knitwear manufacturing industry hopes will stimulate major growth.

In a formal letter to the Russian President Vladimir Putin, the President of the Russian Association of Textile Producers (RATP) has requested an embargo on textile fabric imports from the EU in order to boost the Russian textile industry.

Hainsworth, a leading UK textile manufacturer, teamed up with UK fashion students to supply them with woollen fabrics that were incorporated into their costume projects.

Commentary from Riemann

Despite the rapid depreciation of the Australian dollar in the recent weeks, the wool market has largely tracked sideways during the period. The lack of price volatility in the physical market has seen both buyers and sellers take a wait and see approach until clearer demand signals emerge. As of this week, the lowest sell offers of 21MPG contracts for spring/summer maturity are still ranging between 1150¢ and 1190¢/kg clean. This is still 30-70¢ above the current spot prices and it's unlikely to draw buyer interest unless the market embarks on an uptrend over the coming months.

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