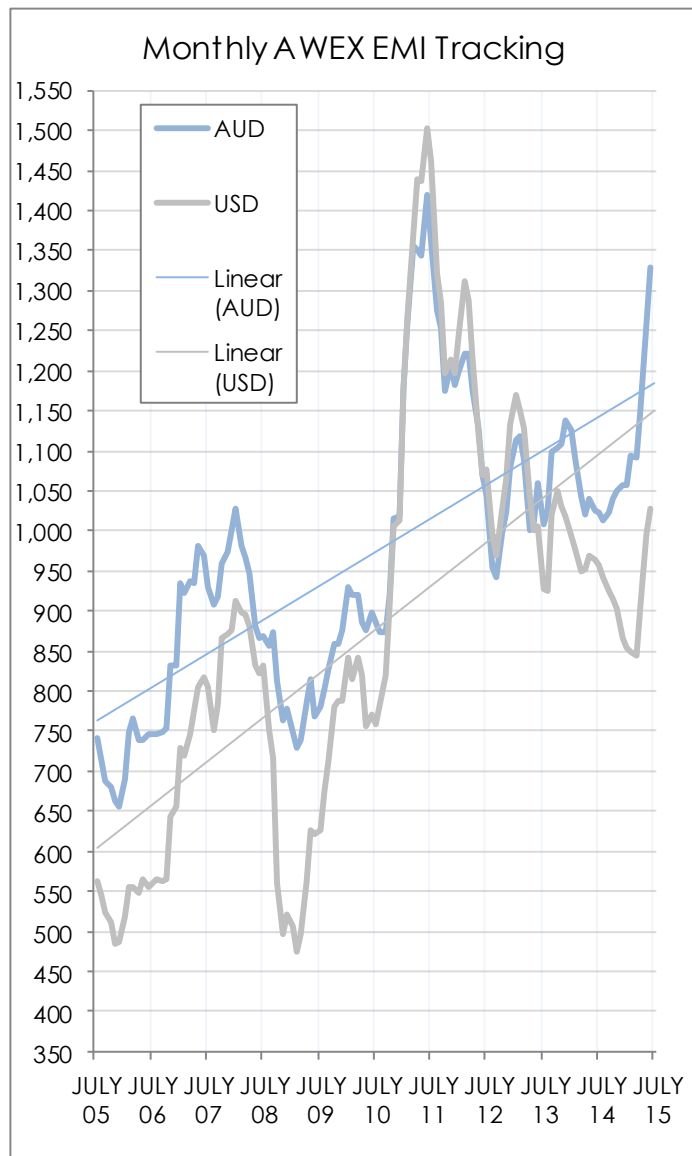




Offering		AWEX EMI				Currency movements		
Bales offered	47,357	AUD	1231 c/kg cln	- 32 c/kg	-2.53%	AUD:USD	0.7649	- 1.19%
Passed-In (%)	10.5%	USD	942 c/kg cln	- 36 c/kg	-3.69%	AUD:CNY	4.7461	- 1.25%
		CNY	58.42 ¥/kg cln	- 2.28 ¥/kg	-3.75%			
Bales Sold	42,382	EUR	8.50 €/kg cln	- 0.22 €/kg	-2.56%	AUD:EUR	0.6908	- 0.03%



AWEX Auction Micron Price Guides.

Sales held on Wednesday & Thursday

MPG	North	South	West
17	1498n - 32	1495 - 24	-
18	1438 - 24	1428 - 14	1362n - 46
19	1356 - 37	1358 - 25	1327 - 44
20	1317 - 35	1321 - 23	1311 - 21
21	1313 - 25	1320 - 20	1296 - 10
22	1293n - 8	1295 - 3	1267n - 14
23		1268n - 6	-
24	-	-	-
25	1123n - 32	-	-
26	1065n - 35	1063n - 47	-
28	894n - 30	894 - 39	-
30	795n - 31	778n - 22	-
32	658n - 20	-	-
MC	1036 - 60	1059n - 39	1034n - 35

Upcoming Wool Auction Sales

Sale week	2014/15 forecast	2013/14 actual
Week 2	49,480 bales	40,323 bales
Week 3	RECESS	RECESS
Week 4	RECESS	RECESS

Riemann Wool - Forward trades this week

Maturity month	Type	Price	Sum of kgs
August 2015	21.0 micron	1310	8,000
August 2015	28.0 micron	850	5,000
November 2015	21.0 micron	1250	2,500
Total kgs			15,500

Despite another slide this week, Australian wool prices appear to have found their feet with an arrest to falls towards the close of selling. A general 25ac/clean kg was lost in the Merino fleece sector, with a similar retraction on the Crossbred fleece on offer. The EMI (Eastern Market Indicator) concluded the week 32ac/clean kg lower at 1232ac/clean kg, a 2.5% reduction for the sale series.

The weeks auctions featured a seemingly more orderly reduction, rather than the erratic lowering in prices witnessed over the previous two weeks of selling in the Merino fleece sector. This raises hopes that the current rates are at more favourable levels for overseas users and thus more confidence was being found from the auction room buyers. This sentiment was particularly seen towards the end of selling on Thursday which saw the AUD v USD fall from 0.77 to the mid 0.76's.

The heavily increased volume of wool on offer proved to be the dampening influence again this week, giving buyers free rein to employ their options of more opportunistic and selective purchasing strategies. Only sporadic new prompt demand was seen, with the major interest now focussing on orders for August shipment and beyond.

A major exception to the slow down in falls was the skirtings and cardings market, which had a poor week with losses of up to 60ac/kg clean. The small price differentials of these wool types, compared to fleece levels, in recent months have not been sustainable according to most industry participants.

In spite of the downward direction the Merino fleece market tracked to, the market was surprisingly resilient to potentially larger scale falls. The finer than 18.5 micron types drifted 15 to 25ac/clean kg, although the spinners/best top making style, high strength sale lots maintained their levels. Mid microns from 18.5 to 21.0 micron fell by up to 35ac/clean kg, whilst the broader (22 and broader) section met with much better competition and were largely unchanged to 5ac/clean kg cheaper.

Skirtings of all Merino descriptions behaved radically this week, with a wild market seeing anything from 40 to 80ac/clean kg wiped off their values. Under most price pressure were wools 19 micron and finer containing 5% vm or more which saw levels at 75ac/clean kg lower by the end of the selling week.

Merino cardings succumbed to price differential adjustments this week, with 40 to 55ac/clean kg losses across the type selection. Buyers of these wools reported that they just couldn't justify the closeness of prices being paid in this sector to fleece prices and the further falls in fleece wools finally saw the downward correction take place.

The Crossbred (26 to 32 micron) area of the market almost replicated the Merino sector movements with fleece types 25 to 35ac/clean kg lower and skirtings 40ac/clean kg lower.

Next week Australian wool auctions will offer 42,000 bales at all three selling centres. This will be the final sale of the season prior to a 3 week recess. Hopefully the better signals seen at the close of this week continues, and all buyers will have enough outstanding and new orders to fill, and we see the wool market head to a break in a positive direction.

Industry News

According to a recent article by Just-Style, consumer confidence in the UK soared in June, with the index jumping six points to 7, with all five measures used to calculate the index seeing increases. These levels of confidence have not been seen in the UK market since the late nineties and early 2000's. In addition, the Major Purchase Index increased 14 points in June to 16; reaching an astonishing 18 points higher than the negative sentiments we were seeing this time last year. The renewal of optimism could see a busy time for retailers over the coming months.

Source: *Just-Style, 2015*

In global news, Euromonitor International have predicted that the top five fastest growing economies in 2015 will all be the emerging market economies in the Asia Pacific region. It seems that India is set to overtake China's real GDP growth; with India standing out with the highest forecasted growth rate globally.

Source: *Euromonitor International, 2015*

www.wool.com

Australian Wool Innovation Limited and its employees, officers and contractors and any contributor to this material ("us" or "we") have used reasonable efforts to ensure that the information contained in this material is correct and current at the time of its publication, it is your responsibility to confirm its accuracy, reliability, suitability, currency and completeness for use for your purposes. To the extent permitted by law, we exclude all conditions, warranties, guarantees, terms and obligations expressed, implied or imposed by law or otherwise relating to the information contained in this material or your use of it and will have no liability to you, however arising and under any cause of action or theory of liability, in respect of any loss or damage (including indirect, special or consequential loss or damage, loss of profit or loss of business opportunity), arising out of or in connection with this material or your use of it.

© Australian Wool Innovation Limited All rights reserved. This work is copyright. Except as permitted under Copyright Law no part of this publication may be reproduced by any process, electronic or otherwise, without the specific written permission of the copyright owner. Neither may information be stored electronically in any form whatsoever without such permission.