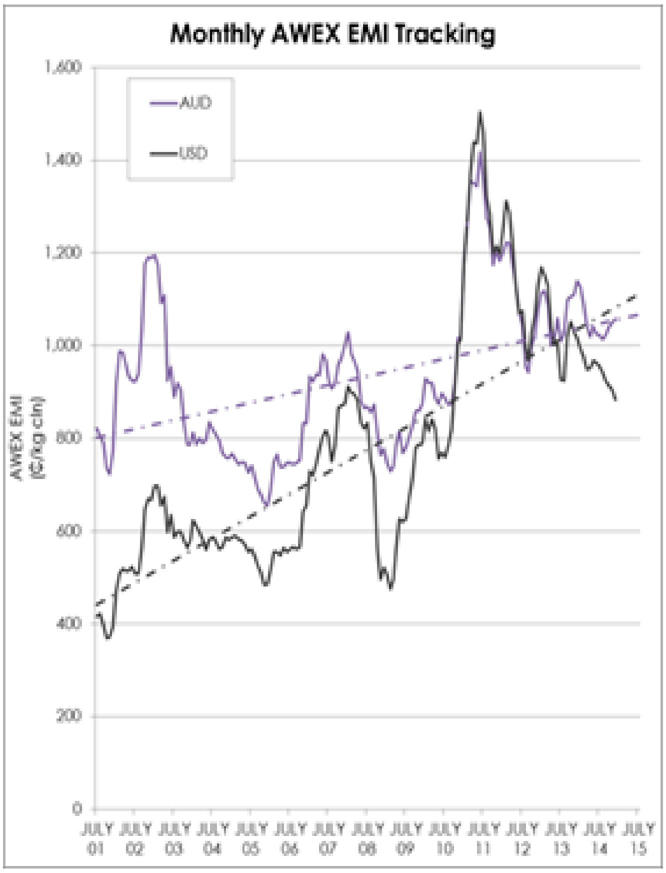
Offering	
Bales offered	53,034
Passed-In (%)	9.2 %
Bales Sold	48,175

AWEX EMI			
AUD	1059 c/kg cln	= c/kg	+0.00%
USD	858.6 c/kg cln	-23 c/kg	-2.58%
CNY	53.43 ¥/kg cln	-0.97 ¥/kg	-1.78%
EUR	7.26 €/kg cln	-0.18 €/kg	-2.56%

Currency movements		
AU:USD	0.8108	-2.58%
AU:CNY	5.0450	-1.78%
AU:EUR	0.6858	-2.56%



Sale days		Tues, Wed, Thu	
MPG	North	South	West
17	1272 =	1251n -5	-
18	1243 -7	1243n -7	1208n -15
19	1205 -5	1200 -17	1182 -25
20	1173 -3	1167 -7	1163 -14
21	1160 -4	1162 -2	1157 -5
22	1144n -13	1143 -12	1146n =
23		1130n -5	-
24	-	-	-
25	932n +1	917n	-
26	848n +8	838n +7	-
28	770 +29	766 +25	-
30	728 +23	714 +20	-
32	648n +11	625n	-
MC	829 +25	838 +9	825n +20

MPG and indicator data in AU cents and sourced from AWEX

Riemann Wool Forwards			
21 Micron		Values	
Maturity month	Sum of kgs	Low	High
Feb– 2015	5,000	1,170	1,170
April—2015	7,500	1,160	1,160
May– 2015	10,000	1,150	1,160

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 29	56,047	53763
Week 30	45,790	42906
Week 31	43,200	35141

AWI Commentary

Australian wool auctions resumed for the first sale of the 2015 calendar year, under a volume of over 53,000 bales. Exporters reported business during the recess was hard to come by across the Merino fleece sector and longer Merino combing skirtings, but all descriptions of cardings, open top and Crossbred remained under steady enquiry. Varying results were extracted from the market but the end result was an unchanged EMI (Eastern Market Indicator) of 1059ac/clean kg.

The three week break in wool auction sales did nothing to alter the weekly pattern the Merino fleece market has followed the past few months. The second half of the 2014/15 wool selling season commenced with a standalone Melbourne sale on Tuesday, which saw prices for most fleece types all away by at least 10ac clean/kg. Prices thence started to stabilize around the lower levels once Fremantle and Sydney joined in on the Wednesday and remained basically unchanged through to the close, although the Fremantle types drifted somewhat through to the close, as that centre had to cope with a large percentage of harder to place types.

Superfine (18.5micron and finer) Merino fleece managed to hold onto somewhere near their price levels in Sydney, as slightly better selections were available and the closing quotes showed a par to 5ac/clean kg lower market. The Melbourne offering suffered in comparison, and between 5 to 15ac/clean kg was lost by the conclusion of sales. A 20ac/clean kg difference now exists in the superfine fleece micron indicators between the 2 Eastern selling centres, with Sydney at the higher points.

The fine and medium (19 to 23 micron) Merino fleece sold consistently throughout, and after shedding 5 to 10ac/clean/kg at the start, maintained their market quotes solidly through to the close, particularly for the better end of the type spectrum. A slight weakening of lower types at the close was seen,, particularly around 19.5 micron.

Merino skirtings of all descriptions drifted throughout the week but by the cessation of selling, all pieces, brokens and bellies types of all faults had recovered reasonably and were quoted as being unchanged compared to the pre New Year levels.

Cardings of all types and descriptions kicked off in sensational fashion by putting on a very healthy rise in price by upwards of 25ac/clean kg. All operators were active from the commencement of selling, indicating a willingness of the exporters to cover some of their forward positions following some fresh sales and extended enquiry over the recess period. Stained merino types and all good colour carbonizing types were most in demand and 30ac/clean kg had been added to their value for the week. Merino wools suitable for open/broken top production remained under close scrutiny from buyers and prices were very firm from the outset.

The impressive gains within the Crossbred and Comeback fleece (25 to 32 micron) segment of the wool market continued unabated this week, with all types generally in the range of being 15 to 30ac/clean kg dearer. The larger Chinese indent operators led the way on most of the crossbred fleece types, which interestingly represented around a quarter of the total wool available for the week. (12500bs), The crossbred skirtings also came under attention and solid gains of 10 to 15ac/clean kg were made for the week.

Next week will see around 56,000 bales being offered to the trade. Once again a high proportion of the bales will be in the room 2 types of crossbred, skirtings and cardings. The fast approaching Chinese New Year 2 week holiday period in mid February may hamper the buying the next few weeks. Any wools shipped prompt over the next few weeks will land at China whilst the shutdown is on and some buyers may put off their buying for a week or so to avoid demurrage charges of having containers sitting on the wharf.

Industry News

The Woolmark Company have recently teamed up with Canifa, an apparel manufacturer and retailer based in Vietnam to release a range of Woolmark-certified apparel. The collaboration is part of The Woolmark Company's 'Out of Vietnam' project, originally designed to develop a sustainable supply chain in Vietnam and expand on the current manufacturing sector.

Canifa is not only the first Vietnamese Woolmark licensee, but also the first to produce 100% Merino Wool apparel to be sold in the domestic market.

The diverse 53 piece range includes styles for men, women and children and will introduce the merino to a market that has otherwise not experienced the qualities of the fibre.

Commentary from Riemann

As with the physical wool market, the Riemann forwards went into hibernation during the recess with no trading activity seen in recent weeks. This week, buyers restarted placing bids with later readjustments to reflect current market conditions. While the main interest remains in the 21MPG contract, firm bids are also seen for 19, 19.5, 28 and 30 micron contracts. As far as prices are concern, bids for the 21MPG contracts are relatively flat across the board for 2015 with prices ranging from 1145¢ in Feb/Mar-15 down to 1135-40¢ in winter and 1130¢/kg clean for spring deliveries. Grower offers remain within the 1150-1200¢/kg clean range for most of 2015.