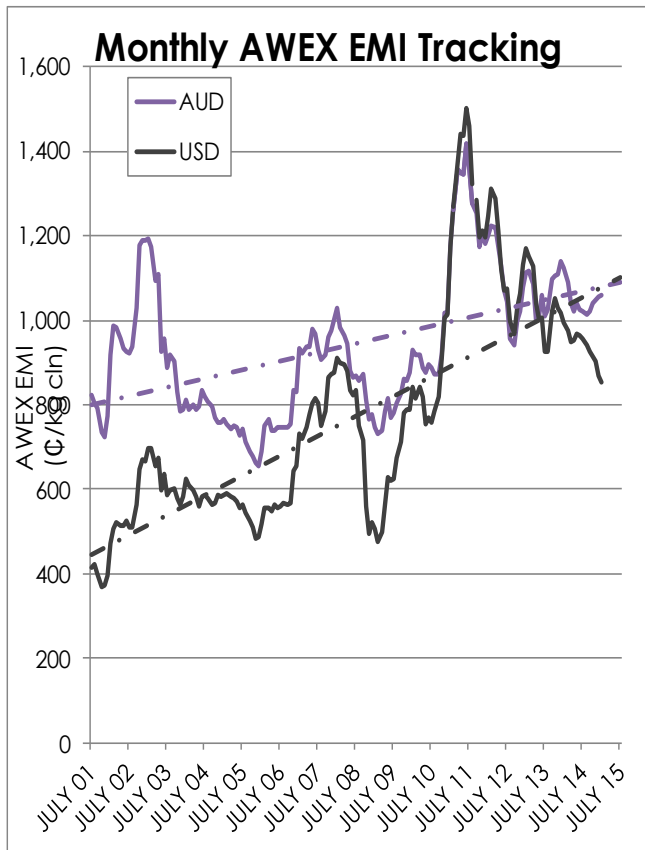




Offering	
Bales offered	<b>37,415</b>
Passed-In (%)	<b>6.7 %</b>
Bales Sold	<b>34,921</b>

AWEX EMI			
AUD	1070 c/kg cln	<b>+ 19 c/kg</b>	<b>+1.81%</b>
USD	842 c/kg cln	<b>- 6 c/kg</b>	<b>-0.74%</b>
CNY	52.62 ¥/kg cln	<b>-0.07 ¥/kg</b>	<b>-0.13%</b>
EUR	7.47 €/kg cln	<b>+0.16 €/kg</b>	<b>+2.16%</b>

Currency movements		
AU:USD	<b>0.7869</b>	<b>-2.50%</b>
AU:CNY	<b>4.9177</b>	<b>-1.90%</b>
AU:EUR	<b>0.6982</b>	<b>+0.34%</b>



Sale days		Wed, Thu	
MPG	North	South	West
17	<b>1350n +52</b>	<b>1311 +41</b>	-
18	<b>1318 +45</b>	<b>1301 +43</b>	<b>1197n +14</b>
19	<b>1209 +15</b>	<b>1208 +19</b>	<b>1181 +9</b>
20	<b>1155 +10</b>	<b>1156 +20</b>	<b>1153 =</b>
21	<b>1139 +3</b>	<b>1146 +17</b>	<b>1146 -1</b>
22	<b>1122n +3</b>	<b>1127 +19</b>	<b>1121n -6</b>
23	<b>1110n +2</b>	<b>1113n +9</b>	-
24	-	-	-
25	<b>930n +19</b>	<b>936n +36</b>	-
26	<b>845 +13</b>	<b>835 +22</b>	-
28	<b>783 +21</b>	<b>787 +28</b>	-
30	<b>745 +23</b>	<b>740 +27</b>	-
32	<b>645n +9</b>	<b>648n +11</b>	-
MC	<b>853 +14</b>	<b>865 +22</b>	<b>837n +12</b>

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
Jun - 2015	2,000	1,132	1,132
Jul - 2015	5,000	1,132	1,132

Forward wool prices in the above table are in AU cents and supplied by Riemann, [www.riemann.com.au](http://www.riemann.com.au)

Sale week	2014/15 forecast	2013/14 actual
Week 32	46,486	44,935
Week 33	50,481	50,790
Week 34	43,800	45,893c

## AWI Commentary

A very notable change in fortune for Australian wool markets this week, as every wool type and description on offer recorded good to extraordinary gains. A combination of positive factors led to the renewed confidence, that brought strong competition into the auction rooms from numerous buyers. As a result, the EMI (Eastern Market Indicator) bounced by almost 2% or a rise of 19ac/clean kg to conclude the week at 1070ac/clean kg. This level has not been attained since February of last year.

Pre sale expectations of an impending dearer wool market by exporters quickly eventuated as prices tracked upwards from the outset of selling. A sharply lower USD exchange rate against the AUD, shipment deadlines to execute January deliveries, lower volumes on offer and buying interest from Europe and India all combined to see our local markets dearer. In a surprising circumstance though, the pressure placed upon the market came mainly from the local forward selling exporters and strong European buying indents, particularly at the finer end of the Merino sectors.

Currency issues continue to place an interesting perspective to the market place, but the overall supply and demand factor remains premier. Contrary to what can be considered as "normal" economic thinking, many participants reported the stronger AUD against the EURO put the European interest into the market, whilst the weaker AUD:USD caused initial apprehension by those buying wool in USD., mainly the Chinese. A general theory being that European and other users recognize the potential buying power when the Chinese decide to buy heavier volumes as the US currency goes more in their favour each passing week.

Super fine (18.5 micron and finer) Merino fleece came under intense pressure throughout the week. Of most interest was the typical European types of the better strength and style lots. A further 60 to 80ac/kg clean was

added to the value of these wools, making them 140ac/clean kg dearer over the past fortnight. The lesser types were not as affected, but still managed to progress to be 15 to 20ac/clean kg dearer. The price premium for the best wools stretched to 250ac/clean kg and in some cases for the best specified lots even further.

The fine and medium (19 to 23 micron) Merino fleece wools also had a good week,. Basically 10ac/clean kg, was gained, except for Melbourne where a general 20ac was added as that centre had started the week at levels 10ac below the other selling venues. By the cessation of selling, a more regular match up of prices across the 3 selling regions had aligned prices.

Merino skirtings met with strong support for all types, especially for shorter length and higher VM (vegetable matter) types suitable for carbonising. Skirtings of 17.5 micron and finer types were similar to the fleece and recorded rises of 25 to 50ac/clean kg, whilst 18.0 micron and broader put on a handy 15ac for the week. Open top types were well sought, and gained 30 to 40ac/clean kg.

Cardings of all types, faults and descriptions met extreme competition throughout, and became 20 to 40ac/clean kg. Demand for this sector is verging on insatiable and is coming from many using nations.

The stall of the Crossbred and Comeback (25 to 32 micron) market last week was clearly an aberration, as this week prices for all types accelerated upwards once again. Gains of 20 to 30ac/clean kg were achieved, with the mid microns (27 to 30 micron) and the small offering of 25micron types mostly in demand. Prices for all these types are now headed to record levels.

Next week should see the strong market extend, and the scheduled volume of just over 46000 bales should do little to arrest the current buoyancy of demand for all types.

## Industry News

The due date for initial submissions on the Issues Paper released by the Wool Selling Systems Review panel is 27 February 2015. Submissions already received and reviewed by the panel are being uploaded to the AWI website .

To view submissions posted to date, visit

[www.wool.com/WSSR](http://www.wool.com/WSSR)



[www.wool.com](http://www.wool.com)

## Commentary from Riemann

Despite the ongoing depreciation of the A\$, now below US78¢, and this week's improvement in auction prices, buyers left bids unchanged on the Riemann forwards. This might change over the following weeks as they reassess their positions and perhaps see a need to get more cover for later this year. On the selling front, producers continue to display a 'wait-and-see' approach until forward rates become more attractive. Bids for the 21MPG contracts remain around the 1120-1130¢ level across the board until early 2016.