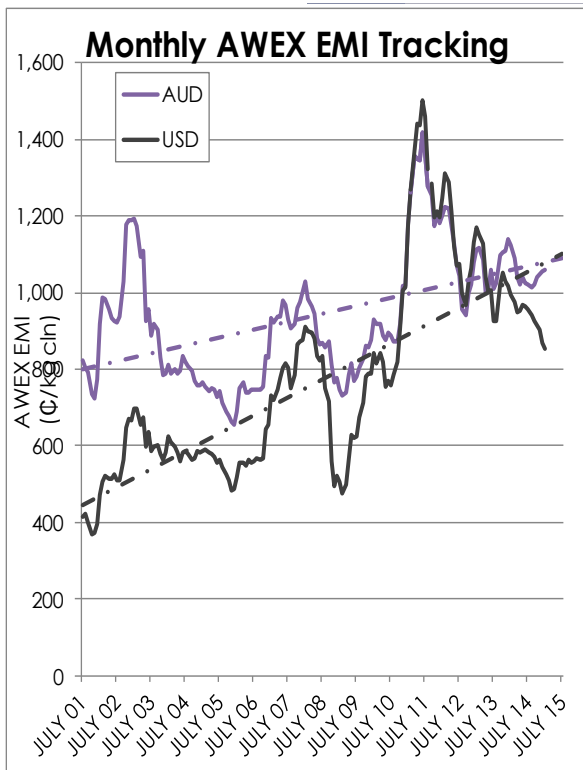




Offering	
Bales offered	<b>52,871</b>
Passed-In (%)	<b>12.1%</b>
Bales Sold	<b>46,457</b>

AWEX EMI			
AUD	1090 c/kg cln	<b>-2 c/kg</b>	<b>-0.18%</b>
USD	849.5 c/kg cln	<b>14 c/kg</b>	<b>1.72%</b>
CNY	53.14 ¥/kg cln	<b>0.97 ¥/kg</b>	<b>1.85%</b>
EUR	7.44 €/kg cln	<b>0.06 €/kg</b>	<b>0.85%</b>

Currency movements		
AU:USD	<b>0.7794</b>	<b>0.32%</b>
AU:CNY	<b>4.875</b>	<b>0.34%</b>
AU:EUR	<b>0.6828</b>	<b>-0.20%</b>



MPG	Sale days		Wed, Thu	
	North	South	West	
17	<b>1339 -24</b>	<b>1313 -14</b>	-	
18	<b>1307 -14</b>	<b>1294 -19</b>	<b>1228n -5</b>	
19	<b>1206 -5</b>	<b>1201 -16</b>	<b>1193 -14</b>	
20	<b>1167 0</b>	<b>1167 -6</b>	<b>1171 -1</b>	
21	<b>1166 +8</b>	<b>1164 -6</b>	<b>1153 -5</b>	
22	<b>1164 +7</b>	<b>1161 -7</b>	<b>1147n -4</b>	
23	<b>1149n +4</b>	<b>1154n -4</b>	-	
24	-	-	-	
25	<b>973n +12</b>	<b>990n</b>	-	
26	<b>888n +13</b>	<b>880n +7</b>	-	
28	<b>814 +5</b>	<b>806 +3</b>	-	
30	<b>777 +2</b>	<b>772 -2</b>	-	
32	<b>683n +7</b>	<b>691n</b>	-	
MC	<b>910 +1</b>	<b>923n +2</b>	<b>878n -2</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
Aug - 2015	2,500	1,150	1,150
Sep - 2017	17,000	1,150	1,155
Oct - 2015	5,000	1,135	1,135
Nov - 2015	7,000	1,150	1,150
Dec - 2015	27,000	1,150	1,150
Jan - 2016	20,000	1,137	1,157
Mar - 2016	10,000	1,140	1,140
<b>Total</b>	<b>102,500</b>	-	-

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 35	49,601	39,833
Week 36	48,010	42,323
Week 37	45,000	42,337

## AWI Commentary

Wool auction sales in Australia showed a surprising resilience to volume pressure this week, as prices mostly held their ground around current levels. The week was initially met with some trepidation by buyers and exporters faced with the prospect of up to 60,000 bales having to be financed as the Chinese headed into their New Year period. Whilst the market certainly opened weakly at the standalone Melbourne sale, some stiff resistance to further falls was in play for the rest of the selling week as it became clear that the big rostered quantity was failing to materialize. A little over 52,500 bales was eventually offered, which represented an 11% reduction from the rostered quantity. The EMI (Eastern Market Indicator) lost a minor 2ac/clean kg to finish the week's selling at 1090ac/ clean kg.

The only general weakness in the wool market appeared once more on the Superfine Merino Fleece of 18.5 microns and finer, but significantly only on the average to poorer types. The better end of the selection was again a highly supported market segment and mainly led by a large Chinese top maker, who quite often took sale lots away from European bidders on wool types normally destined for Italy. With a large percentage of the week's offering being in this type sector, the market did rather well to just drop the 15ac/clean kg it did. As quantities diminish in this area, prices are expected to regain that lost ground rapidly as we go further into the calendar year.

Fine and medium (19 to 23micron) Merino fleece fared well for the auction sale series, with largely unchanged levels averaged across the nations selling centres. Demand levels from the trade were strong and the wools offered by growers were of very good to high quality and suited current orders nicely. A significant portion of the volume up for sale this week was wool grown and tested over 4 months ago, but quite often it was these wool clips that were eventually withdrawn prior to auction or failed to meet the growers reserve price.

Merino skirtings of all types and descriptions again came under close scrutiny from the buying fraternity and remarkably good competition was evidenced throughout selling. Price rises were recorded on all types and a nice lift of 10 to 15ac/clean kg was welcomed by the growers selling.

The carding market remains in record level territory and the positive sentiment from users in the woollen system continues. While small gains were extracted from the market, levels remained on average unchanged for the week, with just a minor fall in locks, stains and crutching types in the Western Australian centre.

Crossbred (25 to 32micron) and comeback types again posted small gains of between 5 and 10ac/clean kg, but a significant gain of 20ac/clean kg and over was recorded in a small offering of the finer comeback types of 24 to 26 micron. Chinese indent buying led the way once more and the 2 operators took over 40% of the available volume.

Next week sees most of China still on Spring festival holidays or their New Year celebrations (2015 being the Year of the Sheep). The volume of under 50,000 bales scheduled should be easily absorbed by current orders and the market is tipped to retain its levels. A very good offering of the better super fine Merino types is expected and European and Chinese users are expected to compete strongly as this upcoming sale is largely recognized as the last opportunity for the season to secure large volumes of these types and descriptions.

## Industry News

The International Wool Textile Organisation (IWTO) are holding a Wool Retail Forum which aims to encourage fashion brands and retailers to further educate themselves on the origin of their products and embrace transparency within the wool supply chain.

Through the forum, ITWO aims to facilitate a deeper understanding of wool's journey through examining the entire supply chain from farm to fashion. This will be achieved through bringing in representatives from each individual area.

Focal points of the forum will be examining topics such as the qualities the fibre has within high performance sportswear, trends in the Chinese luxury and consumer markets and the fibre's role in modern retail. There will also be discussions on sustainability, industry innovations, and Campaign for Wool.

## Commentary from Riemann

The Riemann Forward market was again very quiet this week as buyers and sellers wait for clearer market directions. Despite the lack of trades, buyers have started to demonstrate some interest on 19MPG contracts with fresh bids spanning from September 2015 until June 2016 at 1190¢/kg clean, or 10-15¢ below spot prices. Producers, on the other hand, continue to focus on 21MPG contracts with new sell orders for autumn/winter deliveries (March-August period) at 1170¢/kg clean. On the cross-bred wool front, interest on the 28MPG and 30MPG contracts has waned in recent weeks on the back to steady physical wool prices.

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