

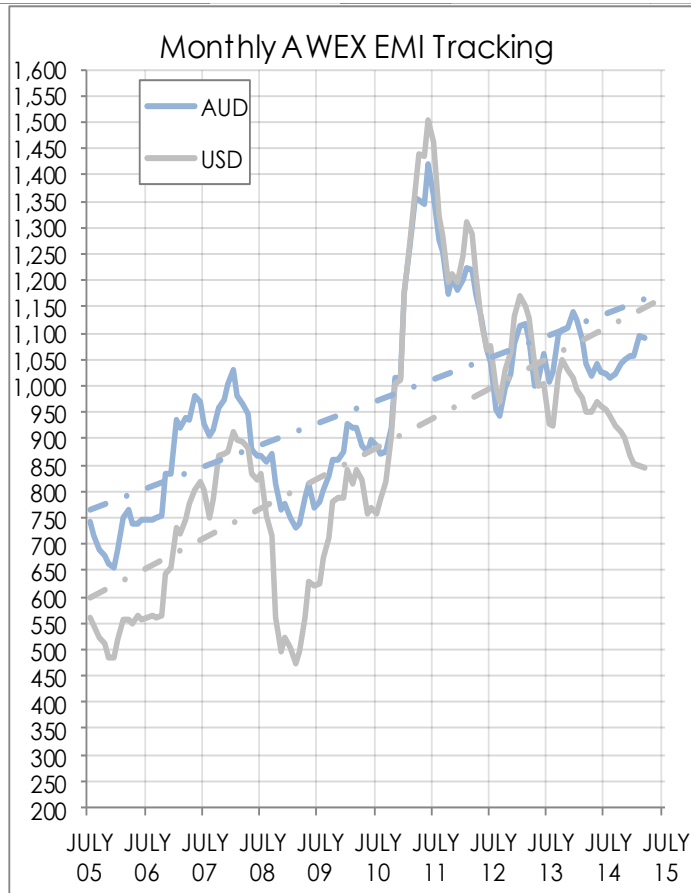
# WOOL MARKET WEEKLY REPORT

Sale Week 39: Fri 27th Mar 2015

THE WOOLMARK COMPANY

awil  
Australian Wool Innovation Limited

Offering		AWEX EMI				Currency movements		
Bales offered	41,420	AUD	1094 c/kg cln	+1 c/kg	+ 0.09%	AU:USD	0.7817	+1.10%
Passed-In (%)	6.6%	USD	855 c/kg cln	+10c/kg	+1.10%	AU:CNY	4.8585	+1.42%
		CNY	53.15 ¥/kg cln	+0.74 ¥/kg	+1.42%			
Bales Sold	38,669	EUR	7.78 €/kg cln	-0.08 €/kg	-0.97%	AU:EUR	0.7113	-0.97%



## AWEX Auction Micron Price Guides.

Sales held on Wednesday & Thursday.

MPG	North	South	West
17	1337n +1	1324 -2	-
18	1301 +2	1285 -11	1232n -1
19	1205 -3	1202 =	1194 +2
20	1172 +2	1167 +6	1165 -2
21	1159 +2	1150 -2	1146 -12
22	1134n =	1119 -9	1138n +5
23	-	1104n -8	-
24	-	-	-
25	995n +2	1006n -2	-
26	930n +12	923 +6	-
28	836 +5	829 =	-
30	787 =	783 =	-
32	698n =	687n -6	-
MC	933 +8	952 +4	920 +9

## Riemann Wool Forwards

21 Micron		Values	
Maturity month	Sum of kgs	Low	High
Mar'15	5,000	1,170	1,170
Apr'15	10,000	1,170	1,170
May'15	5,000	1,150	1,150
May'15	20,000	1,145	1,159
June'15	5,000	1,145	1,145
Oct'15	2,500	1,150	1,150
<b>Total</b>	<b>47,500</b>	-	-

## Upcoming Wool Auction Sales

Sale week	2014/15 forecast	2013/14 actual
Week 40	50,324 bales	34,679 bales
Week 41	NO SALES	34,352 bales
Week 42	48,600 bales	35,192 bales

Australian wool auctions this week replicated the existing market directions of last weeks sales across all types and descriptions. Super fine and fine Merino fleece were solid, broad Merino continued to drift somewhat, all skirtings and Crossbreds held firm and cardings continued the run to further extend their record levels. Not surprisingly, the EMI (Eastern Market Indicator) showed minimal movement but still managed to add an additional cent to close the selling week at a level of 1094ac/clean kg, 88 ac per clean kg better than at the same time last year or 8.7% year on year rise.

A vastly reduced offering once again of Super fine (16.6 to 18.5micron) and ultrafine (16.5micron and finer) Merino fleece offering, saw all prices improve in this area, although mainly restricted to the Sydney selling centre. Whilst a firm market was seen on the initial day, a 15 to 30 ac/clean kg rise on better specified lots was witnessed by the close. With just a few lots on offer in the finer than 17 micron area, it was in this area that most of the action was around. Superior types were almost non existent to quote.

The fine wool (18.6 to 20.5 micron) Merino fleece sold to very firm demand throughout, despite the appreciation of the Australian dollar against the US dollar, which had buyers in expectation of a cheaper market which failed to eventuate. A small rally towards the close of selling on Thursday contributed mostly to the general 5ac clean kg rise in levels in this market sector, with the FNF (less than 1% vm) wools attracting the strongest of the competition. Chinese indent buying interest led the way and dominated the buyer's lists as forward selling exporters waited too long for the market to get to their buy in levels. As a result, it was the forward sellers who eventually joined in to the market to secure supply and forced prices upwards to outbid the indents.

The medium and broad (20.6 to 24micron) Merino fleece segment managed to hold on better this week, although the broadest edge did drift away slightly in the 2 eastern selling centres, but sold to better demand in the Western Australian auction where prices closed 5 to 15ac clean kg higher on mainly the 22 micron area.

## Industry News

Commercial production for Phase II has started at Compass Wool Processors (CWP). CWP is a new wool scouring and top making facility located in the southern part of Malaysia.

"The new 2.5m scour is up and running and we have done several merino lots down to 18.5u through to XB types. It is now running 24/6 (250-300T/week), with the older Andar line on standby or used for oddment/EU type wools as needed. And our Topmaking Department can now also do 800mm/40kg bumps as well as Opentop', says CEO Stefan Bernerius.  
**Source—woolnews.net**

Merino skirtings sold to a fully firm market once again with strong competition and demand throughout. Broken and pieces lines affected by cotts and jowly edges continue to be neglected, and are now being significantly discounted, particularly on the C fault( more than 6%vm) types.

Cardings of all types and descriptions pushed higher into record levels with no signs of an impending down turn. Exporters reported fresh sales at the current levels, with buying emphasis focused upon the wool types suitable for carbonizing. Open/broken top descriptions came under pressure this week, with increasing levels of vegetable matter (vm) forcing the lower vm lots into higher levels. Buyers of these types are reporting demand is still there from overseas customers, but some price sensitivity appears to be in play as little increase in the US\$ delivered price is available to be sourced.

Crossbred and comeback (25 to 32micron) fleece maintained the pattern of the past month whereby the finer types (mainly around 26 micron) were dearer by 5 to 10ac/clean kg, the middle microns (28 to 30 micron) very firm to slightly dearer by 5ac/clean kg and the broader types (31 micron plus) struggling once more hold onto the quoted levels.

Next week sees a spike upwards in auction volumes to go above 50,000 bales. To accommodate the one week Easter break to follow, sales will be held on Tuesday and Wednesday. With renewed interest on most sectors a similar to stronger market is anticipated.

## Wool Selling System Review

Public submissions to the WSSR panel are now on line at the home page link at [www.wool.com/about-awi/how-we-consult/wool-selling-systems-review/](http://www.wool.com/about-awi/how-we-consult/wool-selling-systems-review/)

If you have sent a submission and it is not appearing on-line at the above web link, please send an email to [wssr@wool.com](mailto:wssr@wool.com) and we will rectify.

The WSSR panel will release a Panel Discussion Paper by the end of April.

## Industry News

### SYDNEY SPECIAL SALE

The wool auction sale in Sydney next week will be run in conjunction with the Sydney Royal Easter Show. As such there will be only one sale room operating . It is worthwhile to note that the sale will most likely run for 6 hours plus so finalization of the sale results and market information will be available and reported much later than normal.

The wool industry is using this event to showcase the methods of wool sale transactions to the wider public and wool growers attending the show.

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