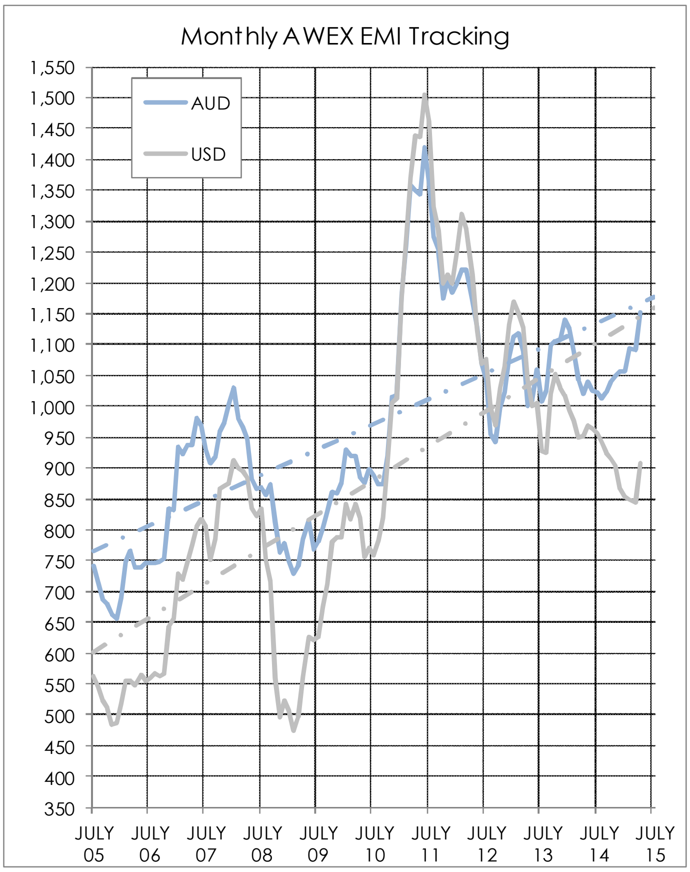
Offering	
Bales offered	43,688
Passed-In (%)	4.8%
Bales Sold	41,603

AWEX EMI			
AUD	1235 c/kg cln	-6 c/kg	-0.48%
USD	1003 c/kg cln	+12 c/kg	+1.25%
CNY	62.21 ¥/kg cln	+0.75 ¥/kg	+1.22%
EUR	8.82 €/kg cln	+0.10 €/kg	+1.05%

Currency movements		
AU:USD	0.8122	+1.74%
AU:CNY	5.0369	+1.71%
AU:EUR	0.7138	+1.54%



AWEX Auction Micron Price Guides.

Sales held on Wednesday & Thursday

MPG	North	South	West
17	1486 -17	1481 -8	-
18	1446 -7	1437 -15	1428n -9
19	1381 -27	1377 -19	1367 -19
20	1329 -19	1308 -21	1323 -18
21	1301 -22	1295 -25	1296 -15
22	1253 -21	1251 -7	1252n -22
23	1219n -22	1219n -17	-
24	-	-	-
25	1096n +10	-	-
26	1018 +12	1005n +7	-
28	896 +10	878 +6	-
30	830 +4	822 +6	-
32	714n +6	707n -2	-
MC	1055 +19	1071 +20	1023n +8

Riemann Wool Forwards - TRADES this week

Maturity date	Type	Price	Sum of kgs
24/06/2015	21.0 micron	1260	5,000
24/06/2015	21.0 micron	1260	5,000
24/06/2015	21.0 micron	1230	3,500
8/07/2015	21.0 micron	1250	4,000
8/07/2015	21.0 micron	1240	2,500
5/08/2015	21.0 micron	1225	5,000
5/08/2015	21.0 micron	1235	2,500
26/08/2015	18.5 micron	1400	2,000
23/09/2015	21.0 micron	1200	3,500
9/12/2015	19.0 micron	1300	3,000
Total			**36,000**

Upcoming Wool Auction Sales

Sale week	2014/15 forecast	2013/14 actual
Week 47	43,500 bales	30,628 bales
Week 48	37,950 bales	35,116 bales
Week 49	29,300 bales	27,577 bales

AWI Wool Market Commentary

Australian wool auctions this week encountered upward price resistance after weeks of consecutive rises. With the speed and severity of the new levels of wool pricing, it was a result predicted by many exporters. The relatively minor retraction recorded for the week was also restricted generally to just the Merino fleece offering. The EMI (Eastern Market Indicator) drifted downward for the first time in several weeks to close at 1235ac/clean kg. This figure represents a staggering 21.1% year on year gain or 215ac clean kg compared to the same period of last season.

Within the Merino fleece sector of the wool market, the superfine (16.6 to 18.5 micron) and ultrafine (16.5 micron and finer) was the best to withstand the efforts of key buyers to bear down the market. Whilst the best end of these types remained at firm to unchanged levels, it was the lower quality end, mainly "old" wool being put back into the market, that felt the most downward price pressure. As a result, most sale room operators had these lower types at 25 to 30ac/clean kg cheaper for the week, while the general micron price guides showed just a 5 to 15ac/clean kg reduction.

The fine (18.6 to 20.5 micron) and medium (20.6 to 23 micron) Merino fleece suffered the larger of the losses this week, as the large offerings of these types appeared to satisfy the immediate demand requirements of exporters. The largest Chinese indent buyer remained very aggressive in its buying, and sourced upwards of 8000 bales of Merino fleece for their clientele. It was the reduced competition from forward sellers that caused most of the downward movement as these competitors seemed resigned to the fact that any pushing up was bearing little quantity and the price would only move further away from their ideal buy in price levels. The result for this wool market segment was a general 20 to 25ac/clean kg cheaper.

Very erratic outcomes were seen over the 2 days of selling within the Merino skirtings offering this week, as the first day saw prices move strongly up by 20ac/clean kg only to see those gains wiped on the final day of selling. Buyers of these wools appeared to have analysed overnight on Wednesday the dangerously close price levels of the Merino skirting descriptions compared to that of the equivalent micron Merino fleece and adjusted their limits accordingly. Overall though, demand still appeared quite robust for these types.

A further 20ac/clean kg was added in general to most of the Merino Cardings again this week. Competition remains hot and the appetite for these wools continues strongly. All sale lots suitable to the open/broken top production recorded similar to larger gains, with many of the better individual lot types extracting similar money from buyers as the full length fleece of the same micron. Once again, the particularly strong buying interest centred around the 17.5 to 18.5 micron area.

The renewed interest in the Crossbred and comeback (25 to 32micron) types continued into this weeks selling, and a handy 10ac/clean kg gain was recorded on most types. Quantities available for purchasing locally appear to be lessening with each passing week, so those processors involved in the knitwear and outerwear manufacturing sector remain keen to ensure supply is adequate for their machines and subsequently for their committed and forecast sales of garments.

A decent offering of nearly 44,000 bales goes up for auction next week, but the focus of buyers is set firmly on the weeks following that, as quantities dramatically fall away. Next week may be the largest offering we see in Australia for a month or two, so if the demand intensity witnessed recently is any indication, what we saw this week, may just be a stall in a largely positive direction for the wool market.

Industry News

According to a report to the NSW Department of Primary Industries, increased global demand for textile fibres to 2025 will be driven largely by income (measured by using GDP as a proxy) and population growth; with increases in these measures historically correlating with an increase in demand. As projections for both population and GDP suggest a rise in both, we can expect to see an increase in demand for textile fibres over the coming decade. Most of this increased demand will be met by man-made fibres, with future wool consumption limited by slow or no growth in wool production. This could potentially lead to upward pressure on wool prices, as any significant increase in demand for wool is unlikely to be matched by increased production.

Source: NSW Department of Primary Industries Paper 1: Trends and drivers for the global and Australian wool industry, 2015.