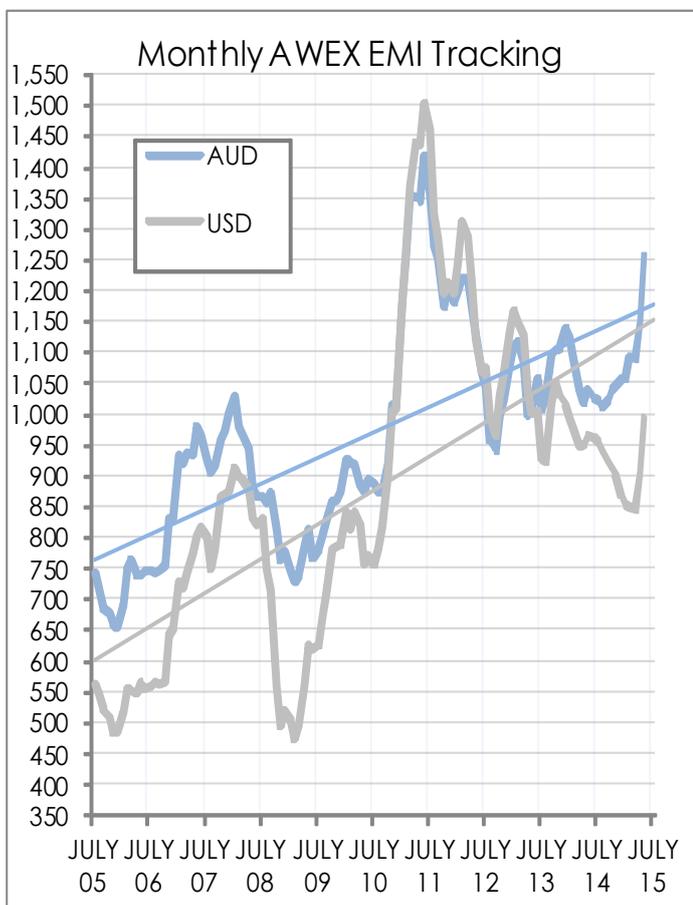




Offering		AWEX EMI				Currency movements		
Bales offered	34,941	AUD	1356 c/kg cln	-17 c/kg	-1.24%	AU:USD	0.7762	+0.48%
Passed-In (%)	4.7%	USD	1053 c/kg cln	-8 c/kg	-0.77%	AU:CNY	4.8178	+0.57%
		CNY	65.33 ¥/kg cln	-0.44 ¥/kg	-0.68%	AU:EUR	0.6867	+0.16%
Bales Sold	33,306	EUR	9.31 €/kg cln	-0.10 €/kg	-1.08%			



AWEX Auction Micron Price Guides.

Sales held on Wednesday & Thursday			
MPG	North	South	West
17	1618 -6	1627 +7	-
18	1578 -29	1577 -15	1567n +110
19	1521 -32	1519 -29	1546 +134
20	1478 -38	1481 -40	1506 +134
21	1469 -30	1466 -45	1501 +144
22	1426n -32	1421 -54	1463n +152
23	-	1394n -2	-
24	-	-	-
25	-	-	-
26	1165n +10	-	-
28	971 +16	974 -1	-
30	865 +2	869	-
32	735n -8	754n	-
MC	1112 +16	1134 +7	1088n +15

Riemann Wool Forwards - TRADES this week

Maturity month	Type	Price low/high	Sum of kgs
August 2015	21.0 micron	1350 / 1400	17,000
September 2015	21.0 micron	1360 / 1400	24,000
October 2015	28.0 micron	870	8,000
November 2015	21.0 micron	1300	4,500
December 2015	21.0 micron	1300	2,500
January 2016	19.0 micron	1400	5,000
January 2016	28.0 micron	840	2,500
February 2016	19.0 micron	1400	2,100
March 2016	21.0 micron	1280	3,500
April 2016	19.0 micron	1400	2,000
<b>Total kgs</b>			<b>71,100</b>

Upcoming Wool Auction Sales

Sale week	2014/15 forecast	2013/14 actual
Week 51	23,937 bales	23,457 bales
Week 52	35,200 bales	30,953 bales
Week 1	38,700 bales	38,030 bales

## AWI Wool Market Commentary

After a stellar rally in recent weeks, Australian wool auctions spent the selling week trying to find price levels where new trade could proceed to suit both buyer and seller. Whilst price levels in general fell away in the Merino sector, the EMI (Eastern Market Indicator) concluded the week at a very respectable 1356ac/clean kg, a weakening of 17ac/clean kg for the sale series.

The buying in the sale rooms was fundamentally dominated by large Chinese indent operations. One large operator's purchasing power in the Merino fleece sector was exceptional, taking over 30% of available wool. That trend continued in the Crossbred sector with two of the Chinese indent buyers taking almost 40% of that offering.

Many forward sellers and local buyers were reporting a slow down in enquiry for most Merino fleece qualities pre sale, so a cautious attitude was taken by them into the sale rooms. This allowed the keener buyers the freedom to buy at their discretion, as most operators became spectators, and apparently happy to do so. Once again the strength of the competition in the skirtings, cardings and crossbred markets was superior, and some general gains were made on all carding types and some of the finer crossbred fleece on offer.

Superfine (finer than 18.5 micron) Merino types were once more strongly sought throughout selling. The better types on offer were able to maintain their price levels, while the inferior section drifted by a general 5 to 15ac/clean kg. The few spinners/best topmaking style, high strength were in good demand and actually gained 40 to 50ac/clean kg, particularly the finest available.

Fine and medium (19 to 23 micron) Merino fleece was the most affected of all market segments this week, as prices fell away by 30 to 40ac/clean kg for the week, with most of the retraction occurring on the final day. Prices appeared to get a little more stable late in selling as some of the previously abstaining buyers decided to take some lots into their inventory as risk mitigation in light of the small volume next week. Significantly though, three of the usual larger buyers remained out of the market to the close.

Skirtings of all descriptions sold well, but drifted a little to be 10 to 15ac/clean kg cheaper by the finish of the sales. The shorter types (less than 75mm gsy) remained under strong competition as these small offerings suitable to traditional flatbed knitwear continue to be in great demand.

Merino cardings were 10 to 15ac dearer for the week, with renewed pressure being placed on the finer edge of the washing types (less than 2%vm) on offer.

Demand remains very strong in the Crossbred sector, particularly for wools 25 to 29 micron, which saw an appreciation in price of around 10 to 15ac/clean kg. Descriptions broader than 30 micron drifted slightly and fell away by a minor 5 to 10ac/clean kg.

Next week Australian wool auctions revert back to just the two eastern centres selling, offering a very small volume of under 24,000 bales. If the large Chinese indent interest continues, some of the larger buyers may well question their decision to effectively sit out this week, but if the urgent indent requirements have mostly been filled, it may turn out to be a clever strategic decision.

### Industry News

According to a recent report by Euromonitor International, China is set to overtake the US as the world's largest apparel and footwear market in 2015. In 2010, this market was worth USD221 billion and is forecast to increase to USD351 billion in 2015, an astonishing 37% increase. In comparison, the retail value of apparel and footwear in the US is expected to reach USD338 billion in 2015. Much of China's strength has been the result of their resilience during the recent global economic and financial crisis and although they are experiencing a slow-down in GDP growth, China is well placed to enjoy further growth over the coming 5 years.

Source: *Euromonitor International, May 2015*

### Industry News

Apparel retailers in the US reported a mixed month, with suggestions that consumers are not spending heavily outside of auto, smart phone and home related categories. Despite the sluggish market, most clothing chains reported small growth in May, climbing just 0.5% following the markets first fall in 68 months in April. Source: *Just-Style, June 2015*

The Wool Selling Systems Review discussion paper will be available soon from the panel and a firm date and venue set for the workshop in Melbourne towards the mid to end of July 2015. Source: *WSSR Panel June 2015*

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