

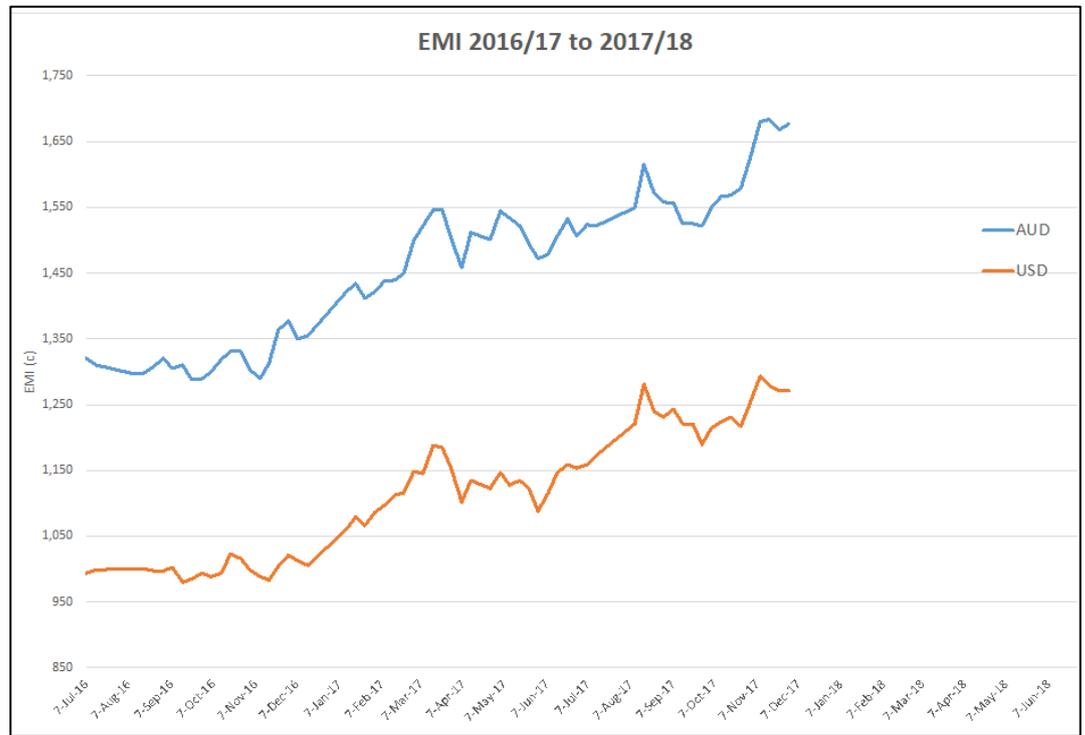


# MOSES & SON

WOOLBROKERS MERCHANDISE LIVESTOCK

## Week 22: 30/11/2017

The AWEX EMI closed the week at 1676c - up 7c for the week. A pleasing result given the 95.6% clearance of the 49,058 bale offering was possibly what took some sting out of the market late last week. As the sale roster now begins to wind down to the Christmas recess, buyers seemed a bit keener to purchase the wool on offer whilst numbers were slightly higher - next week's offering measures up to 50,000 bales with the final sale estimate 47,000 bales.



The weekly rises were very gradual in contrast to the experiences over the past 8 months. The Merino categories were the hero of the week once again. With the exception of the 17-18 $\mu$  MPG's, the merino selection increased by 15-20c with the 16.5 categories adding 36c for the week.

Skirtings followed the fleece with the emphasis on the lots with low VM at time being keenly sought.

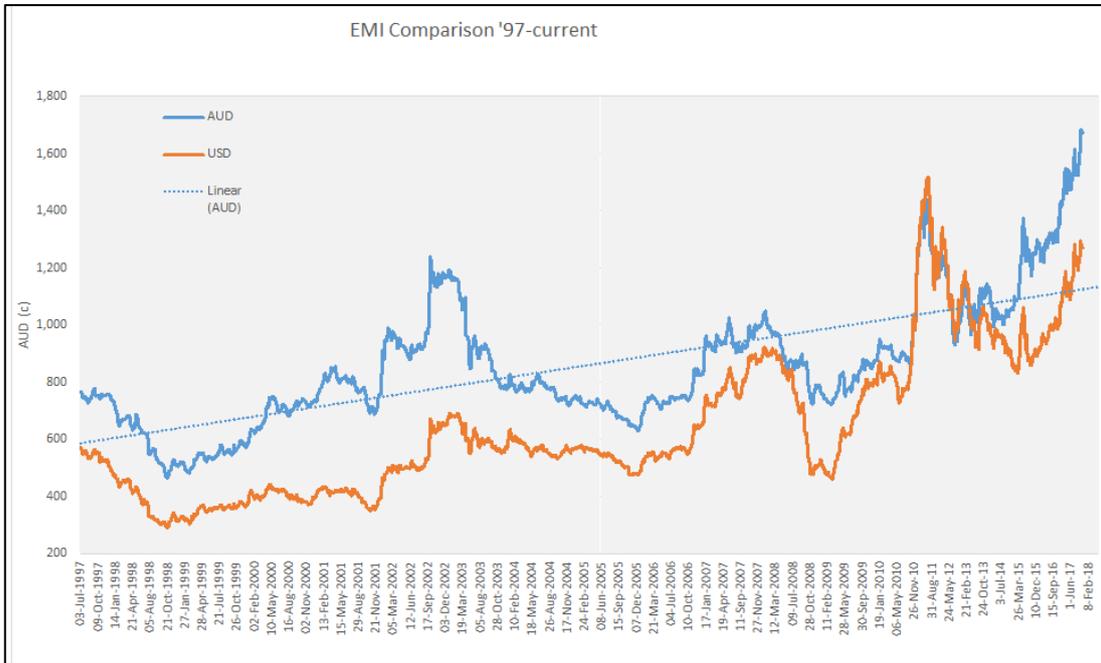
Region	Centre	30/11/2017	23/11/2017	Variance	Bales Offered	Bales Sold	Pass-in %	Next Sale Offering
Northern	Sydney	1,756	1,756	0	14,093	13,493	4.3%	11,892
Southern	Melbourne	1,626	1,615	11	24,718	23,658	4.3%	29,314
Western	Fremantle	1,725	1,717	8	10,247	9,761	4.7%	9,622
National	AWEX EMI	1,676	1,669	7	49,058	46,912	4.4%	50,828

Crossbreds were dismal, falling 10-25c with the poorest performance clearly in the lots coarser than 29 microns. The increase in the XB volumes highlighted with general lack of demand in a market that is not looking for supply. Cardings were well supported and were able to maintain their record levels with the most noticeable rises in the merino lambs category.



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Mike Avery reports the forward market gained confidence as the spot auction looked to find a base. Growers looked to take advantage of buyer interest in the first half of next year.

The 19.0 micron index traded between 1950 to 1970 in the January to April period with hedgers locking in at historic levels. 21.0 microns traded above 1600 to March. This represents 100 cents above the yearly average and 350 cents above the 10 year average.

The Riemann platform traded 156 tons this week, which is around 2.5% of the underlying physical. Whilst still only representing a small percentage of the clip, momentum appears to be building as growers are valuing certainty and locking in margins. Feedback from producers that have hedged multiple times across the last months is that although the market has maintained its momentum, their hedging strategies have delivered only good or better long term outcomes.

We expect buyer interest to remain solid. With only two auction weeks remaining for the year, exporters will be focusing on cleaning up their pre-Christmas commitments and laying a platform for the first quarter. With the cost of financing high at current spot levels, exporters will be looking for early New Year cover which may present some good opportunities for growers over the next fortnight.

~ Marty Moses

MPG North	Percentile	30/11/2017	23/11/2017	Variance	5 Year Average	5 year var	5 year % var
17	97.7%	2,459	2,460	-1	1,692	767	45.4%
18	99.3%	2,270	2,277	-7	1,623	647	39.9%
19	99.5%	1,999	1,985	14	1,494	505	33.8%
20	99.8%	1,773	1,758	15	1,391	382	27.4%
21	99.7%	1,649	1,636	13	1,354	295	21.8%
22	99.3%	1,569	1,553	16	1,321	248	18.8%
30	30.8%	534	559	-25	659	-125	-19.0%
EMI	99.7%	1,676	1,669	7	1,240	436	35.1%