



MOSES & SON

WOOLBROKERS MERCHANDISE LIVESTOCK

Week 24: 14/12/2017

The AWEX EMI closed the calendar year on 1760c - up 61c for the week and breaking through 1700c for the first time in history. The opening markets were on a sky-rocket like trajectory, increasing over 100c in the fine medium categories, which pushed the indicator to 1765 before the slight retracement on Thursday's closing market result. The 16.5-22µ Merino MPG's broke all previous price records this week as buyers scrambled to secure as much of the 51,000 bale offering as they could.

Merino Skirtings and Cardings followed the Fleece with (at times) frantic bidding, especially for the best prepared and measured lots.

Crossbreds joined the party, posting between 13 and 51c for the week again with the emphasis on best preparation. The market now takes a three-week break as buyers and sellers reflect on an incredible year in wool.

Sales will resume in the week beginning the 8th of January, and with the positive emotions experienced in this week's sales, one could expect a solid opening for 2018.

Mike Avery from Southern Aurora Wool reports: "After an extra ordinary opening to the final auction week the market prior to Christmas the market closed on a weaker note for most merino qualities. The forward markets benefited from the volatility as new record hedging levels were set across numerous microns. 18.0 microns traded at 2255 in April, 18.5 2150 in March, 19.0 2025 in April and 21.0 1705 in February. Buyers were most interested in the early New Year but lack of selling volume saw trading move as far out as August 2019. Good volumes traded for the spring of 2018 highlighted by 18.0 at 2060 and 19.0 at 1860.

We go into the break with some negative sentiment from off shore but with buyers still concerned by supply issues into the early New Year. We anticipate light trading next week with exporters looking forward to a break after a volatile six months. We expect some opportunities to hedge with growers looking to take advantage of near record closing levels".

It is a pleasure to wrap up 2017 performance with the following stats for the 12 months:

- The EMI added 405c (+29.9%) for the year
- This rise is the largest annual rise since 2002
- For the first time (since the AWEX records began in 1995) the total value of wool sold in a calendar year exceeded \$3b
- All Merino MPG's including the Merino Carding indicator achieved their new record highs in the last selling week of the year (Wednesday)
- The MPG has posted an accrued 701c over the past 3 years
- This week saw new record prices for forward contracts.

Moses & Son Staff and Management wish all of our "woolly" friends a safe and enjoyable Christmas with their family, friends and of course their sheep.

| MPG North | Percentile | 14/12/2017 | 7/12/2017 | Variance | 5 Year Average | 5 year var | 5 year % var |
|-----------|------------|------------|-----------|----------|----------------|------------|--------------|
| 17 | 100.0% | 2,538 | 2,477 | 61 | 1,695 | 843 | 49.7% |
| 18 | 99.8% | 2,300 | 2,273 | 27 | 1,625 | 675 | 41.6% |
| 19 | 100.0% | 2,086 | 2,015 | 71 | 1,497 | 589 | 39.3% |
| 20 | 100.0% | 1,883 | 1,794 | 89 | 1,395 | 488 | 35.0% |
| 21 | 100.0% | 1,745 | 1,669 | 76 | 1,356 | 389 | 28.7% |
| 22 | 100.0% | 1,642 | 1,581 | 61 | 1,323 | 319 | 24.1% |
| 30 | 54.0% | 590 | 571 | 19 | 659 | -69 | -10.5% |
| EMI | 100.0% | 1,760 | 1,699 | 61 | 1,245 | 515 | 41.4% |

| Region | Centre | 14/12/2017 | 7/12/2017 | Variance | Bales Offered | Bales Sold | Pass-in % | Next Sale Offering |
|----------|-----------|------------|-----------|----------|---------------|------------|-----------|--------------------|
| Northern | Sydney | 1,841 | 1,782 | 59 | 12,632 | 12,362 | 2.1% | RECESS |
| Southern | Melbourne | 1,710 | 1,646 | 64 | 29,346 | 28,310 | 2.5% | RECESS |
| Western | Fremantle | 1,816 | 1,762 | 54 | 8,935 | 8,765 | 1.9% | RECESS |
| National | AWEX EMI | 1,760 | 1,699 | 61 | 50,913 | 49,737 | 2.3% | RECESS |