

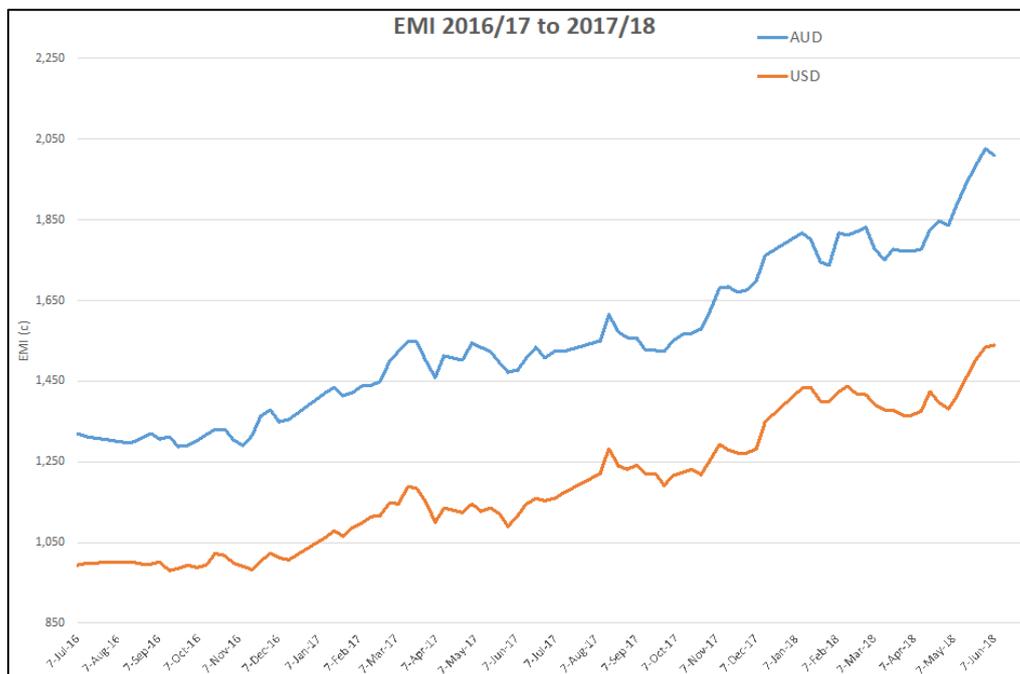


MOSES & SON

WOOLBROKERS MERCHANDISE LIVESTOCK

Week 49: 07/06/2018

The AWEX EMI closed the week on 2011c - down 16c at auction sales in Australia. In what was the smallest offering of the season (26,942 bales) with no Fremantle sale this week, the market struggled to maintain the accrued rises of the past months bullish sales, but in saying that, the EMI in USD added 6c for the week - reaching a new USD high of 1538c.



Merino Fleece from 17-20 μ recorded losses ranging from 2c to 55c, whilst the 21 and 22 MPG's in the

Northern region posted 15c rises in conflict with the finer fleece market and punching through the previous weeks record highs. Buyers were reluctant to continue chasing the lower specified, high mid-point break and high VM lots. The nominal lots of 23 and 24 micron fleece lots were pushed to extreme price levels with local clips achieving what we believe is a new all-time record for 23 and 24 micron merino fleece wool.

Merino Skirtings also lost some price momentum with falls of 20-40c common across the offering. There were some best measured, low micron and low VM lots that were marginally affected.

Crossbreds measured a small price deterioration on the previous week's levels.

Merino Cardings posted a 9c rise for the week in the Northern markets and lost 5c in the southern market. AWEX reported that poorly prepared lines lost buyer support and attracted the largest price discounts for the week.

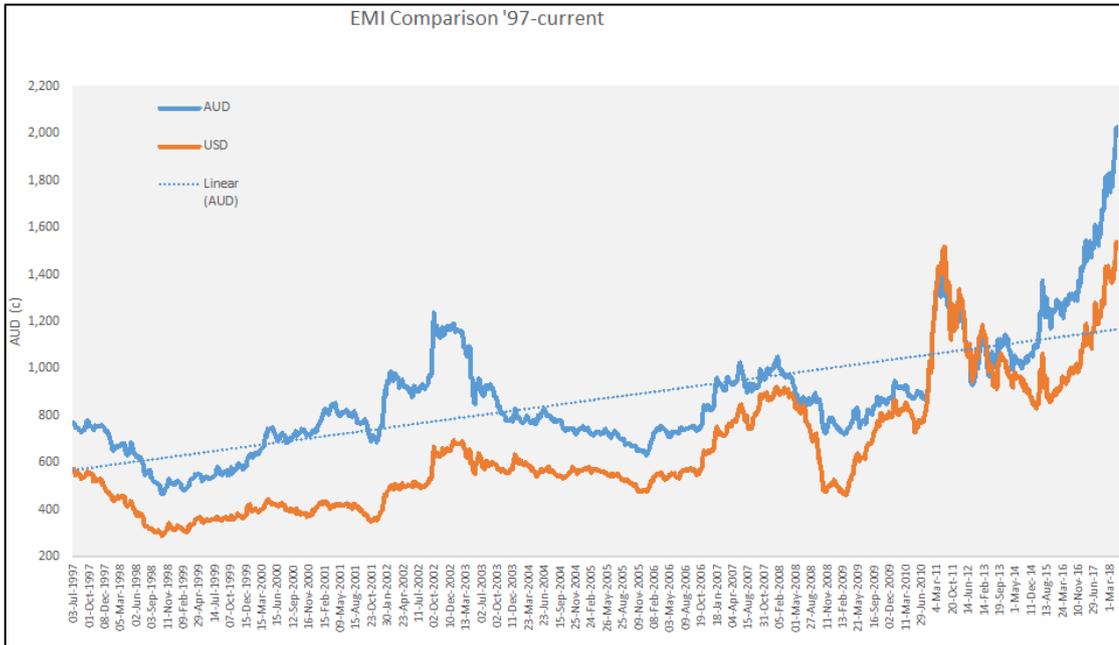
MPG North	Percentile	7/06/2018	31/05/2018	Variance	5 Year Average	5 year var	5 year % var
17	99.8%	2,863	2,885	-22	1,740	1,123	64.6%
18	99.8%	2,519	2,554	-35	1,645	874	53.1%
19	99.8%	2,271	2,316	-45	1,521	750	49.3%
20	99.8%	2,256	2,258	-2	1,427	829	58.1%
21	100.0%	2,254	2,239	15	1,391	863	62.0%
22	100.0%	2,231	2,216	15	387	1,844	476.0%
30	85.2%	700	709	-9	665	35	5.3%
EMI	99.9%	2,011	2,027	-16	1,302	709	54.5%

Despite the small offering and the weaker superfine, fine and fine merino categories, the market seemed to find a new level pretty quickly and maintained that level throughout the week. Given there was a downward price swing, the pass in rate was a surprisingly meagre 3.6% nationally - well below the season pass in average of 5.7% and last year's 8.0%. The incredible current price level of the merino category lost up to 2% and was no deterrent to hold wool back.



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Southern Aurora Wool Forward Market Wool Report:

Forward markets started the week strongly and held up relatively well as the auction lost ground. New highs were set early in the week with trades into the late spring at 2100 for 19.0 and 1925 for 21.0. New Year hedging also peaked with April trading 19.0 micron at 2000 and 21.0 at

1910. Although the end of the week was more subdued, opportunities should still be available for growers looking to mitigate risk for next season clip.

Forwards closed Thursday night still showing 19.0 micron bid at 2100 through the spring, down to 1950 in December. The auction market on 21.0 microns has held firm under diminishing supply to the end of the season. This has left spring levels at a strong basis to the finer wools with August bid on close at 2050, September 2000, October 1925 and November 1900. Although a discount to cash these hedge levels represent significant premiums over last spring AWEX Auction average September to November on both fine and medium wools.

Region	Centre	7/06/2018	31/05/2018	Variance	Bales Offered	Bales Sold	Pass-in%	Next Sale Offering
Northern	Sydney	2,057	2,076	-19	11,516	10,994	4.5%	11,043
Southern	Melbourne	1,981	1,996	-15	15,426	14,976	2.9%	13,623
Western	Fremantle	0	2,167	0	0	0	0.0%	4,290
National	AWEX EMI	2,011	2,027	-16	26,942	25,970	3.6%	28,956

Next week all centres offer just 28,956 bales. This time of year experiences low receipts with a small percentage of clients that choose to hold back their wool for taxation purposes, hence the low offerings nationally for another 3-4 weeks. If you take notice of the levels available to hedge the 19 and 21 MPG, it currently sits roughly between 2% and 4% to the current spot market. This has to be an opportunity begging for participation.

It's a great time to be in sheep and wool. ~ Marty Moses

Moses & Son Top price report							
Desc	District	Micron	Yield	VM	SL	SS	Price
AAA M	Lockhart	18.0	69.9	0.3	83	48	1808
AAA M	Lockhart	18.0	67.9	0.3	83	40	1696
AAA M	Temora	16.7	57.8	0.9	86	42	1680
AAA M	Cookardina	22.4	73.7	0.9	105	39	1656
AAAA M	Temora	18.8	71.7	0.5	95	33	1649