



MOSES & SON

WOOLBROKERS MERCHANDISE LIVESTOCK

Week 12: 20/09/2018

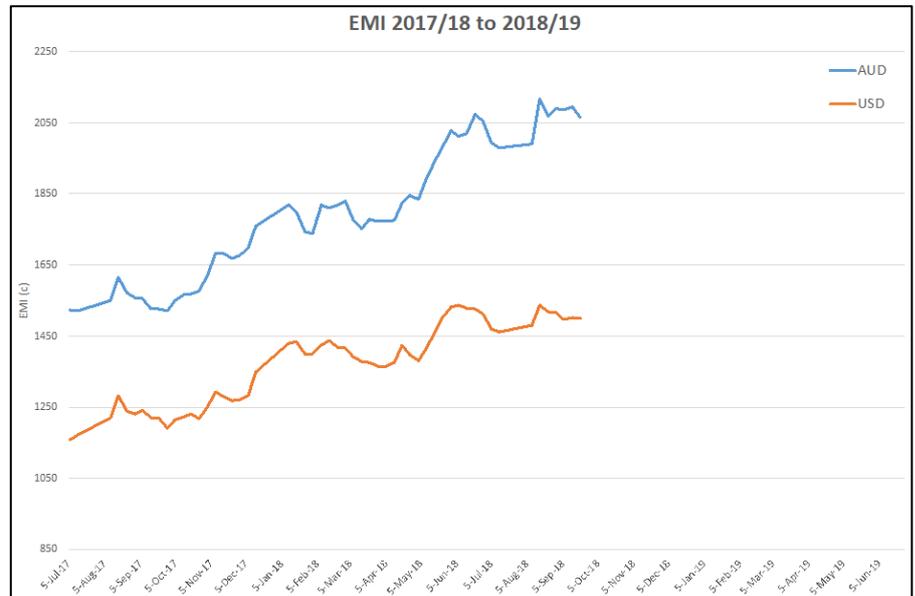
The AWEX EMI closed the week at 2067c, down 27c at auction sales in Australia. Almost 10% of the 35,630 bales offered was passed in, the second highest pass in rate for the season. The week opened immediately on a weaker trend and deteriorated slowly as the AUD increased around 1% in value, effectively accounting for the market fall in AUD. This was supported by the EMI in USD falling a mere 3c over the week.

Merino Fleece generally fell 10-30c in Sydney and 5-50c in Melbourne with no real price synergies across the centres. The best measured and style lots continued to attract a premium over the bulk of the offering, and the price discount widened for the drought affected fleece lots.

Merino Skirtings followed the fleece's downward trend across all micron categories, however selected lots with VM of 2% or less were least affected.

The **crossbred** sector could only be described as erratic, with the selling centres showing conflicting price movements ranging from +13c to -60c.

The **Carding** Market posted falls between 10-30c across all selling centres with the exception of washing (low VM) lamb's wool, which attracted vigorous bidding and extreme prices



Region	Centre	20/09/2018	13/09/2018	Variance	Bales Offered	Bales Sold	Pass-in%	Next Sale Offering
Northern	Sydney	2,140	2,162	-22	8,290	7,692	7.2%	10,451
Southern	Melbourne	2,022	2,051	-29	21,058	19,231	8.7%	17,671
Western	Fremantle	2,222	2,256	-34	5,863	4,856	17.2%	6,722
National	AWEX EMI	2,067	2,094	-27	35,630	32,129	9.8%	34,844

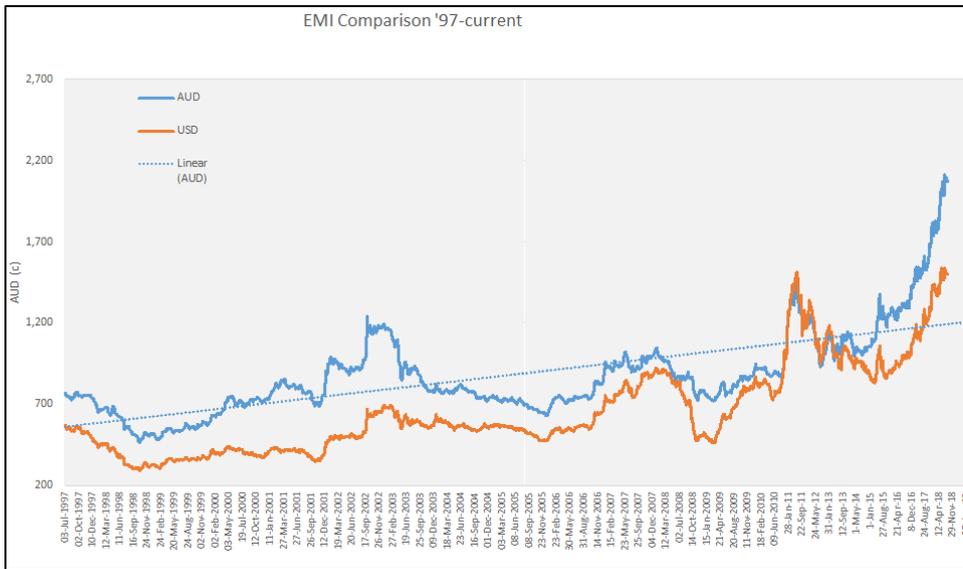
Forward Price Report from Michael Avery (Southern Aurora Wool): The forward market was stagnant this week with participants looking for direction from off shore. The spot market lost ground with the softness in the medium wools, evident last week, seeping into the finer qualities. Sentiment from the exporters is quite mixed with a growing uncertainty on the balance of factors that are influencing both the prompt delivery and forward markets. The current price structure is damping short and medium term demand with end users unable to execute new business at these levels. Countering this bearish outlook is the current low level of stocks off shore and the supply concerns for the coming season which has the latest clip forecast at -5.7% and anecdotal evidence even lower. Bidding in the forwards were a little muted as buyers reassessed risk. However, levels still remain in the 85 to 90 percentile range with 19.0 micron bid in November at 2260, December at 2240 and January at 2200. Similar levels are bid for 21.0 micron with November at 2180, December at 2160 and 2100 for January.

Commentary: There is no doubt that the market is demonstrating confusion as to what the price of wool is going to be, and speaking to some of the returnees from the Nanjing Wool Conference last week (China), the main question were of Supply and Price.



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This week, more questions were aimed at how many bales will be available in the short, medium and long term in Australia. The urgency appeared more prominent in the sale rooms, with a “Mexican Standoff” situation emerging. Processors were generally not willing to accept the current offers of price for forward deliveries at the current levels from the exporters at the current market, and so there are reports that indicate exporters are holding fast on the prices. This is on the back of year on year bale offerings in Australia, falling to an alarming 13.5% down on the sale

time last year. Reports are filtering back to Australia of the lack of wool stock being held along the wool pipeline, which also indicates that the price may be the secondary issue here.

MPG North	Percentile	20/09/2018	13/09/2018	Variance	5 Year Average	5 year var	5 year % var
17	99.5%	2,988	3,008	-20	2,062	926	44.9%
18	99.8%	2,688	2,708	-20	1,915	773	40.3%
19	99.4%	2,429	2,439	-10	1,758	671	38.2%
20	98.5%	2,294	2,303	-9	1,655	639	38.6%
21	97.9%	2,243	2,274	-31	1,615	628	38.8%
22	99.6%	2,259	2,259	0	1,581	678	42.9%
30	88.6%	728	738	-10	681	47	7.0%
EMI	99.2%	2,067	2,094	-27	1,325	742	56.0%

An important message from the MD: As the drought extends further into the spring, the challenges of carrying our precious livestock into the summer is also becoming more difficult. Rest assured that Moses & Son are here to guide you through this difficult time. The addition of our Consultancy Services has provided a number of tools that will make the journey into 2019 and beyond. They include feed testing and budgeting advice, tools to assist you select and identify your best performing sheep, discovery of the best tools to identify and manage parasites, and cutting edge education programmes to allow you to stay informed of the best practice management in the industry. We offer all of this, coupled with our advanced marketing program in Livestock and Wool to keep you profitable through the good and tough times. 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	Ariah Park	16.4	61.5	0.7	75	46	1875
AAA M	Nangus	18.5	72.8	0.7	74	38	1861
AAA M	The Rock	17.2	64.9	0.6	84	37	1848
AAA M	Coolamon	16.9	62.9	0.6	93	30	1821
AAA M	Carcoar	15.7	68.8	0.6	52	0	1810