

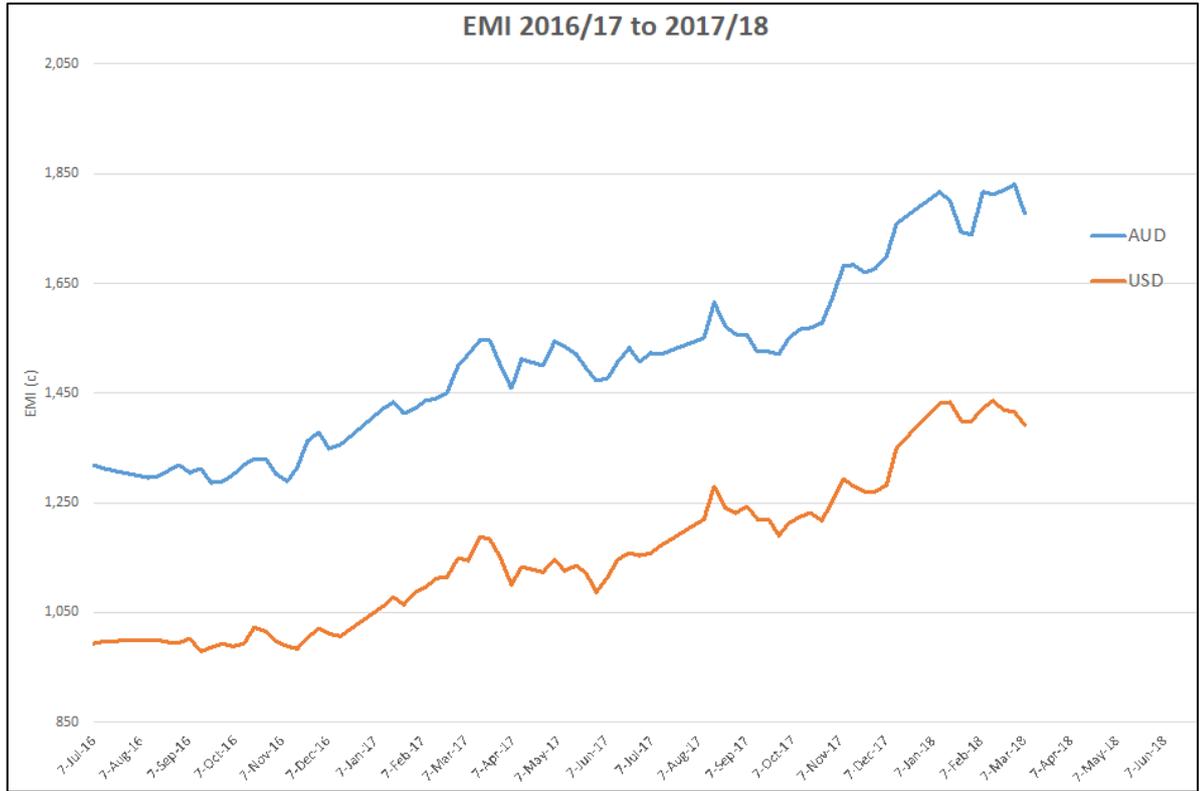


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WOOLBROKERS MERCHANDISE LIVESTOCK

Week 36: 08/03/2018

The AWEX EMI closed on 1778c, down 52c, at auction sales in Australia this week. The negative reaction to last week's record high EMI (1830c) took some of the industry by surprise which was reflected in the 11% pass in rate from the 45,536 bales offered. The negative trend commenced at



the first lot offered in Melbourne on Tuesday and continued as Sydney and Fremantle commenced selling on Wednesday. There was some support evident in some typed offered on Thursday however the total loss in the EMI of 52c reflected a market looking for a new level.

Merino Fleece was generally affected by 40-50c across the Northern 19-22 μ MPG's, however the Southern MPG's fell double that, whilst the price falls in the 16-18.5 μ fleece types were generally 10-20c. As I reported last week the wool with poor specifications (which include Cotted and colour, high vegetable matter content, low strength and high mid-point break) were the most affected during the week.

MPG North	Percentile	8/03/2018	1/03/2018	Variance	5 Year Average	5 year var	5 year % var
17	99.6%	2,802	2,826	-24	1,720	1,082	62.9%
18	99.6%	2,395	2,407	-12	1,637	758	46.3%
19	98.0%	2,085	2,136	-51	1,511	574	38.0%
20	98.9%	1,958	2,001	-43	1,411	547	38.8%
21	99.3%	1,887	1,928	-41	1,371	516	37.6%
22	99.5%	1,863	1,903	-40	1,338	525	39.2%
30	47.0%	580	583	-3	659	-79	-12.0%
EMI	99.1%	1,778	1,830	-52	1,268	510	40.2%



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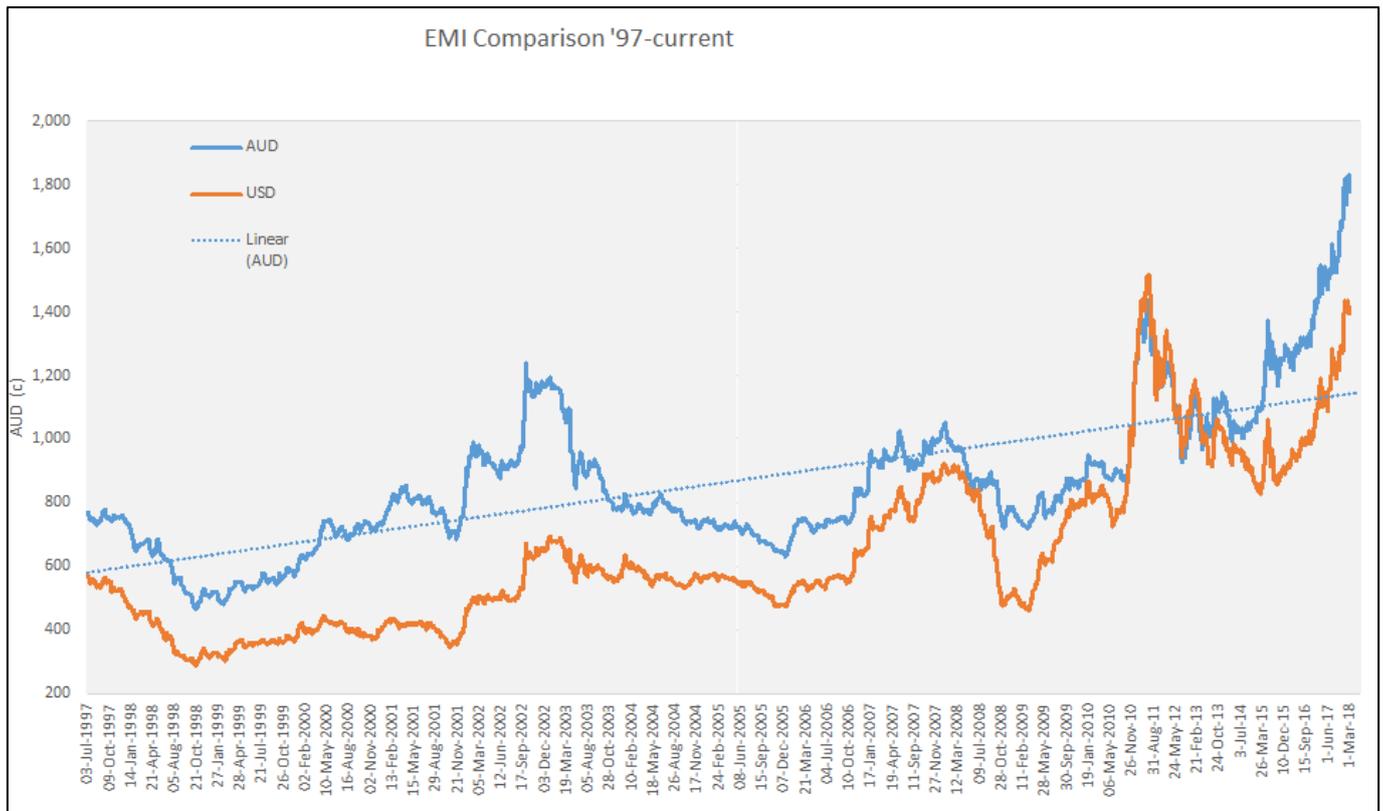
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Merino Skirtings performance fell in line with the fleece trends, and lots with low VM, coupled with best style and strength were keenly sought after.

Crossbreds bucked the trend with the better prepared lines between 25-28 μ MPG posting between 10 and 30c price increases for the week. The 29-30 μ MPG struggled to maintain last weeks' levels dropping 5-7c.

Merino Cardings also lost 20-30c in line with the other merino categories, however there are some exceptions in the merino lamb categories.

43,894 bales are on offer next week in all three selling centres commencing on Wednesday.



Commentary: Despite the current weeks 2.8% (52c) fall, the market process is still in great shape for all merino and FXB types. The EMI maintains a 16.8% increase over the price at the same time last year and holds a 21.6% in USD terms. There is no doubt with almost all of the Merino MPG's still maintaining within 5% of the top percentile bands this is a great time to be in sheep and wool. ~ Marty Moses

Region	Centre	8/03/2018	1/03/2018	Variance	Bales Offered	Bales Sold	Pass-in%	Next Sale Offering
Northern	Sydney	1,869	1,900	-31	9,090	8,163	10.2%	10,546
Southern	Melbourne	1,720	1,785	-65	28,594	26,046	8.9%	23,591
Western	Fremantle	1,859	1,905	-46	7,852	6,400	18.5%	9,757
National	AWEX EMI	1,778	1,830	-52	45,536	40,609	10.8%	43,894