

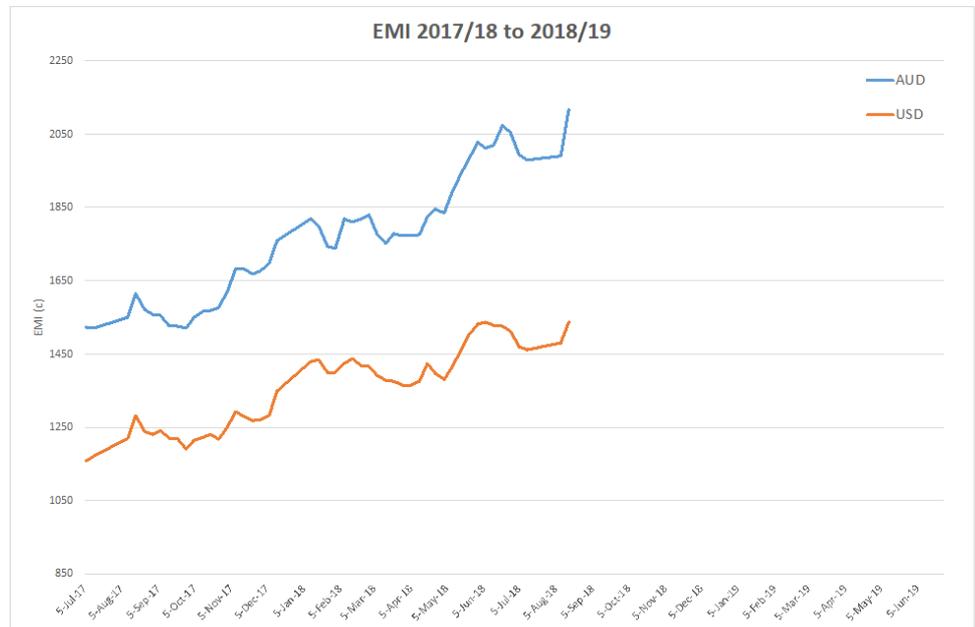


MOSES & SON

WOOLBROKERS MERCHANDISE LIVESTOCK

Week 07: 16/08/2018

The AWEX EMI increased 126c to close the week at 2116c at auction sales in Australia. 36,302 bales went on offer in Sydney Melbourne and Fremantle with 98.5% of the offering cleared as emotive buying took over in the sale rooms. Wednesdays opened with a rise of 99c for the EMI taking it to 2089c, the largest single day increase since 2002 and a new record surpassing the previous EMI record by 16c. Thursday's market continued to rise, (at a slightly slower pace) with the end result a 27c increase taking the EMI to 2116c. This 126c rise was also the largest weekly rise since 2002.



Merino fleece saw all of the MPG's skyrocket to new records levels with the 17-19MPG's adding 170-205c for the week. All other merino MPG's rose between 130-150c. **Skirtings** followed the same as the fleece increasing between 50c - 100c. **Cardings** also achieved new record price levels posting rises between 42-81c across the three centres. **Crossbreds** recovered from last week's lacklustre performance posting solid rises of 60-90c for the week.

MPG North	Percentile	16/08/2018	9/08/2018	Variance	5 Year Average	5 year var	5 year % var
17	100.0%	3,007	2,816	191	2,049	958	46.8%
18	100.0%	2,682	2,478	204	1,898	784	41.3%
19	100.0%	2,465	2,292	173	1,748	717	41.0%
20	100.0%	2,376	2,232	144	1,652	724	43.8%
21	100.0%	2,341	2,210	131	1,614	727	45.1%
22	98.5%	2,184	2,184	0	1,575	609	38.6%
30	87.0%	709	648	61	675	34	5.0%
EMI	100.0%	2,116	1,990	126	1,325	791	59.7%

This week's market conditions were aided by a favourable currency exchange, however in my opinion these extreme price movements were all about exporters meeting business inquiry from China, India and Europe. What would normally be reported as panic buying appeared to be more about just buying than employing desperate procurement measures. Despite the eastern states drought situation worsening the current selection was in relative good shape from a processors point of view. However, as NSW approaches spring, well behind historical levels of rainfall, pasture and crop growth, and with feed supplies already exhausted from the past 5 months of extended dry conditions the impact on sheep numbers, cut per head and shearing intervals have the pipeline second guessing wool production for the upcoming season and beyond. The release of the National Wool Production Forecast is released early next week ahead of Wool.

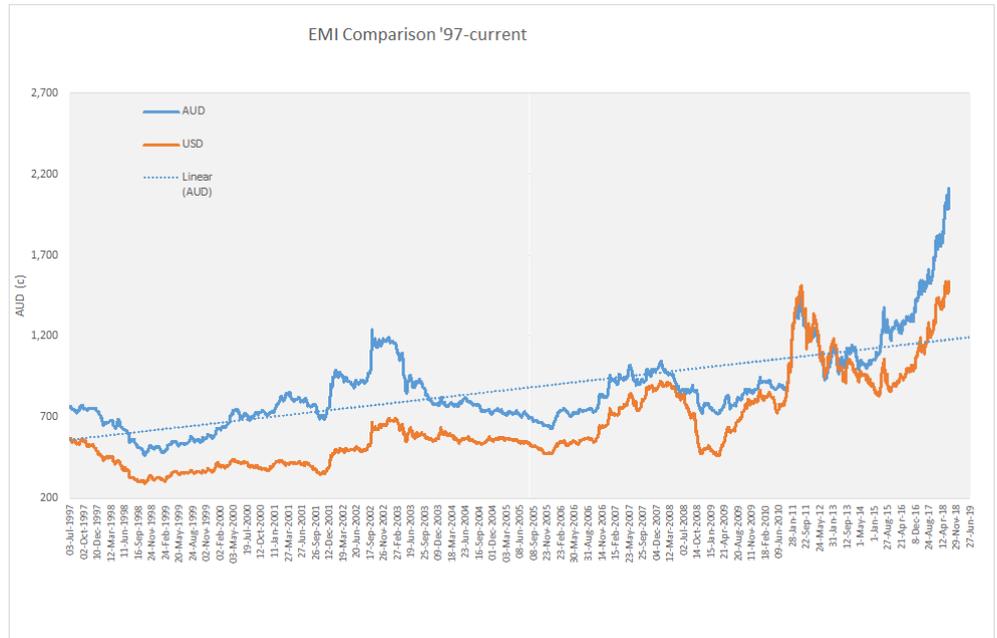


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Michael Avery (Southern Aurora Wool) reports the reaction in the Forward Market has been less dramatic as both buyers and sellers alike trying to find fair value into the summer and beyond. Spring levels rose sharply with 21.0 trading at 2280 for late September. Buyers are pricing in significant risk for the New Year with processor and end user concerns about the ability to pass on the latest surge in prices foremost in their minds. Unprecedented levels are being bid into 2019 but at

discounts to cash. 19.0 microns traded at 2225 for January and 2105 for November. We expect a similar pattern to continue next week with both exporters and growers both looking for some price certainty into the future. We anticipate only moderate volume under the current volatility.



Region	Centre	16/08/2018	9/08/2018	Variance	Bales Offered	Bales Sold	Pass-in%	Next Sale Offering
Northern	Sydney	2,163	2,027	136	12,871	12,705	1.3%	10,447
Southern	Melbourne	2,087	1,967	120	18,971	18,681	1.5%	19,366
Western	Fremantle	2,279	2,158	121	4,460	4,373	2.0%	-
National	AWEX EMI	2,116	1,990	126	36,302	35,759	1.5%	29,813

29,813 bales will be offered in Sydney and Melbourne on Tuesday and Wednesday next week to allow the **Annual Wool Week** events get under way on Thursday. There will be the official launch of **AWEX WoolClip** electronic specifications App as well as an update of the **AWI WoolQ**. I imagine this will be a positive event. In the meantime the main challenge is staying positive through this testing time and ensuring you have a plan to get through. Moses & Son Livestock consultancy service is available for your advisory needs through the drought. Despite the Bitter Sweet environment- **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	Temora	16.1	73.5	0.8	78	48	2410
AAA M	West Wyalong	21.3	59.7	1.2	107	40	2198
AAA M	Temora	15.8	62.9	1.1	77	41	2069
AAA M	Temora	15.8	63.1	1.1	68	37	2041
AAA M	Temora	17.5	72.4	0.5	77	39	1989