

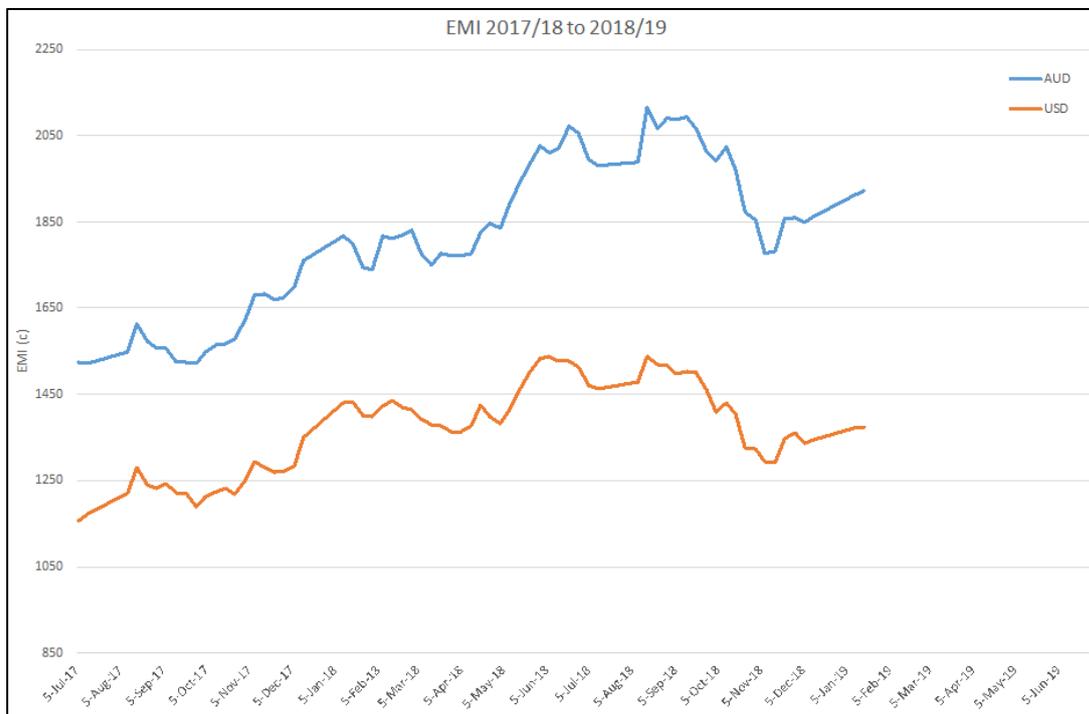


MOSES & SON

WOOLBROKERS MERCHANDISE LIVESTOCK

Week 29: 17/01/2019

The AWEX EMI closed on 1923c - up 13c at auction sales in Australia this week. 51,703 bales went under the hammer and 93.3% cleared to the trade. With an offering of 51,703 bales, exporters were able to be slightly more selective, and as a result, each sale centres behaved independently throughout the week governed entirely by the quality of the selection.



Merino Fleece operated with less urgency on the

sub 19 μ categories, populated with drought affected lots which all lost between 10-35c, whilst the 19 μ and broader MPG's all added solid gains for the week - between 10-25c. The growing selection of low strength fine and superfine fleece types with low strength and high mid-break, attracted heavy discounts whilst the best strength and specified lots increased slightly on last week's prices.

Merino Skirtings were generally 20-40c dearer and as in the fleece, the lots broader than 19 μ attracted the best competition.

Crossbreds were the best performing sector for the week with the 26MPG adding 80c for the week whilst the 28 MPG increased by 55c. The coarser crossbreds maintained close proximity to last week's prices.

Merino Carding varied between centres; the Northern and Western MC added 23c and 30c respectively whilst the southern MC fell 6c.

MPG North	Percentile	17/01/2019	10/01/2019	Variance	5 Year Average	5 year var	5 year % var
17	90.9%	2,523	2,557	-34	2,024	499	24.7%
18	95.3%	2,407	2,435	-28	1,895	512	27.0%
19	97.3%	2,304	2,296	8	1,743	561	32.2%
20	97.3%	2,256	2,240	16	1,642	614	37.4%
21	97.2%	2,225	2,200	25	1,602	623	38.9%
22	96.5%	2,170	2,170	0	1,567	603	38.4%
30	89.5%	739	703	36	679	60	8.9%
EMI	97.2%	1,923	1,910	13	1,325	598	45.1%

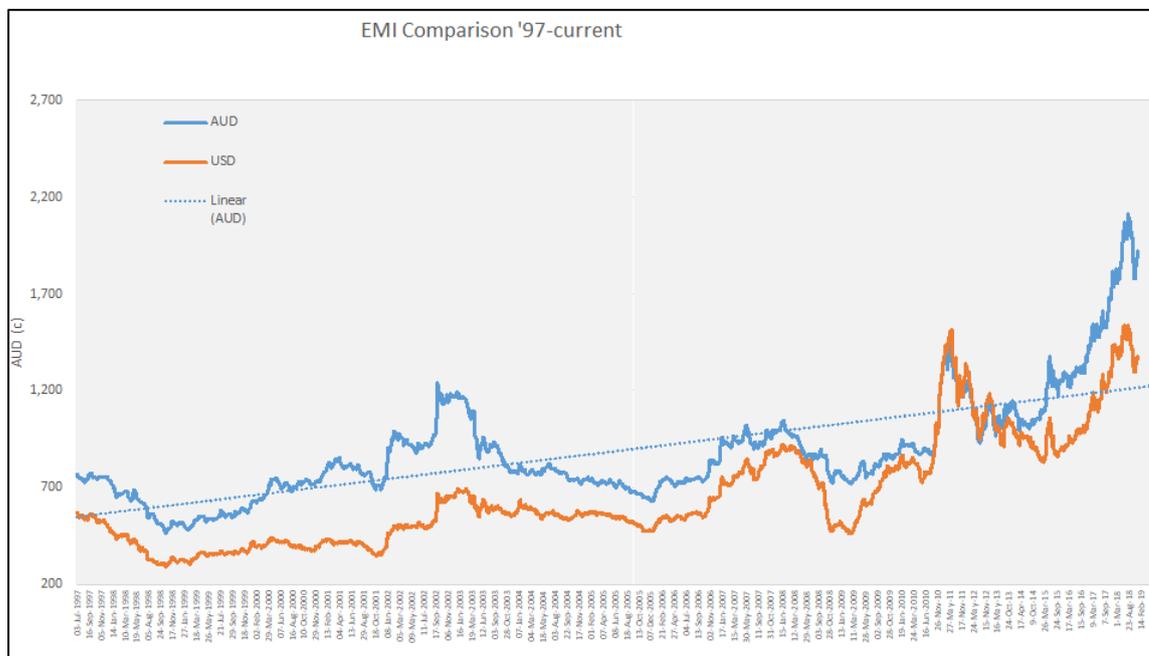
Next week, the market offering reduces substantially to 41,503 bales, as the recess receipt backlog begins to clear. It is also interesting to note the next month of sales will be all below 40,000 bales. Whilst the year on year comparison for bales offered is down an alarming 176,950 (-17.0%), the YOY sold comparison has a shortfall of 202,361 bales (-20.5%). How is this so, I can hear you ask? Well firstly, despite the EMI being 122c



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higher (+6.8%), the seasonal pass in rate has increased from 5.6% to 9.8%. The most likely reason for the increased pass in rate is the retracement of the superfine MPG's caused by the increase of wool being produced in this category, courtesy of the mother of all droughts.



Supply will now become the key focus of the processing chain and as relayed by some exporters on numerous occasions, the Chinese processors have trouble believing wool production forecasts even though they are backed by solid actual data. I think we are in for a wild

price ride in the near future, with many peaks and troughs- there is never a better time to lock in prices to secure these amazing price levels. Over \$101.26M was sold this week which converts to ~\$2100/bale average, and the year to date value of wool sold in Australia is now \$1,748.44m - a bale average of \$2221/bale.

~ Marty Moses

Region	Centre	17/01/2019	10/01/2019	Variance	Bales Offered	Bales Sold	Pass-in%	Next Sale Offering
Northern	Sydney	1,960	1,948	12	13,970	13,279	4.9%	9,787
Southern	Melbourne	1,899	1,887	12	26,989	25,315	6.2%	22,502
Western	Fremantle	2,105	2,083	22	10,744	9,633	10.3%	9,214
National	AWEX EMI	1,923	1,910	13	51,703	48,227	6.7%	41,503

Moses & Son Top price report

Desc	District	Micron	VM	Yield	SL	SS	Price
AAA M	Temora	18.0	0.7	69.1	74	35	1620
AAA M	Young	16.4	1.7	67.3	105	26	1593
AAA M	Young	17.4	0.8	66.3	96	34	1584
AAAA M	Murringo	17.8	0.7	67.8	83	30	1580
AAAA M	Murringo	18.3	1.0	69.2	92	26	1572