



MOSES & SON

WOOLBROKERS MERCHANDISE LIVESTOCK

Week 36: 07/03/2019

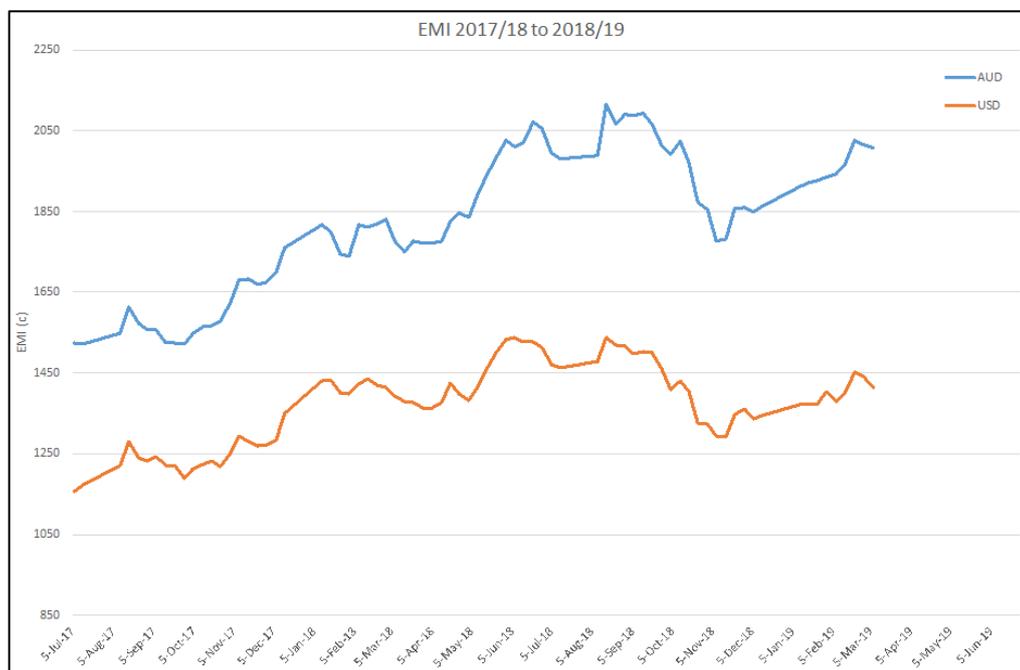
The AWEX EMI closed at 2008c – down 8c at auction sales this week. The 45,130 went on offer presenting increasing quantities of inferior wool to the trade and slight erosion of price on the MPG's the best style and measured types. This resulted in 8.8% of the offering being passed in.

Merino fleece held form early in the week and as the dusty poor for style, low yielding, high mid-point and low specified wools populated the catalogues and market. The

fine and superfine were least affected, slipping slightly on last week's levels whilst the medium microns fell 15-20c in the northern region and double that in the other selling centres. Non mulesed lots were chased aggressively by a range of buyers from all sectors. **Skirtings** were also well supported if they possessed good specifications and visual traits whilst the poor style and measured lots followed the fleece counterparts downward.

Crossbreds remained in good demand with strong competition on the 26-28 MPG s which increased 15-20c whilst the 30MPG came under some price pressure.

Cardings performed very well, posting rises of 27c, 16c and 46c in the North, South and West.



MPG North	Percentile	7/03/2019	28/02/2019	Variance	5 Year Average	5 year var	5 year % var
17	91.8%	2,608	2,612	-4	2,017	591	29.3%
18	96.9%	2,520	2,525	-5	1,895	625	33.0%
19	98.2%	2,381	2,396	-15	1,745	636	36.5%
20	99.0%	2,340	2,357	-17	1,646	694	42.2%
21	99.0%	2,321	2,338	-17	1,607	714	44.5%
22	99.2%	2,290	2,310	-20	1,572	718	45.7%
30	99.8%	940	940	0	688	252	36.7%
EMI	97.9%	2,008	2,016	-8	1,325	683	51.6%

Forward Price Report from Michael Avery (Southern Aurora Wool): This week's spot auction highlighted how vulnerable the market is while trading in these historically high ranges. All indicators pointed to a solid week. Last week's auctions finished on a high note, exporters reported better sales and the January export statistics were better. When coupled with a weaker Australian Dollar, expectations were high. Reality was that all micron groups slipped 20 to 30 cents with the exception being 28.0.

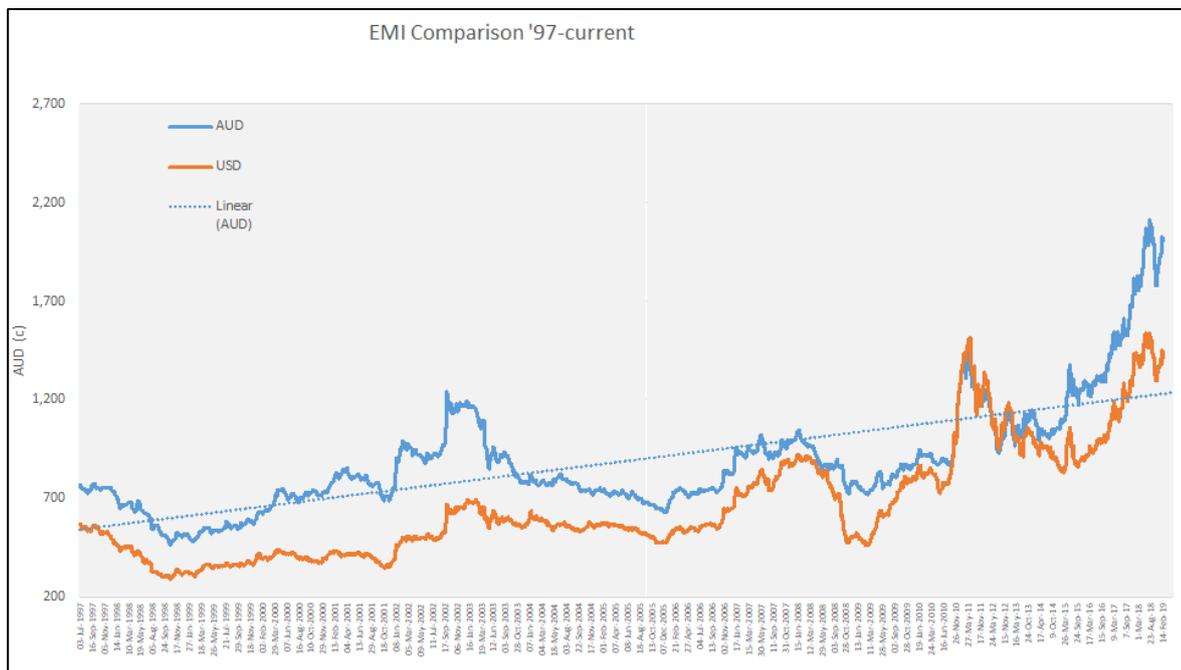
The forward market traded lightly with some growers backing levels away on the expectation of a stronger market. Solid levels were achieved with 19.0 trading June at 2280, 21.0 June at 2250 and 28.0 May at 1050.



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Exporters are expected to be a little cautious as they gauge the off-shore reaction to this week's market. As mentioned, January export numbers improved but still show a 16.8% decrease year to date indicating some demand destruction bought on by higher prices. The



corresponding decline in supply leaves the market balanced but susceptible.

Setting price goals based around production costs and margin management is critical in these volatile and uncertain times. We expect next week to be a little more cautiously bid but should still provide the prospect of good hedging levels.

All participants should look to mitigate risk and value certainty of margins over the fear of lost opportunity.

Region	Centre	7/03/2019	28/02/2019	Variance	Bales Offered	Bales Sold	Pass-in%	Next Sale Offering
Northern	Sydney	2,058	2,063	-5	10,710	10,093	5.8%	8,763
Southern	Melbourne	1,976	1,987	-11	26,205	24,161	7.8%	22,626
Western	Fremantle	2,157	2,177	-20	8,215	6,912	15.9%	10,333
National	AWEX EMI	2,008	2,016	-8	45,130	41,166	8.8%	41,722

Commentary: Considering the market has consumed an extra 20,000 bales over early estimates, this week's results are encouraging however as the percentage of the offering of best style and specifications declines, I fear the MPG's will follow. I fear we are entering into a supply void that will almost certainly deliver more volatility in the markets. ~ Marty Moses

Moses & Son Top price report							
Desc	District	Micron	VM	Yield	SL	SS	Price
AAA M	Gundagai	17.5	0.6	72.8	87	23	1711
AAA M	Murringo	18.2	0.5	70.0	86	34	1704
AAA M	Tarcutta	15.5	0.7	64.3	73	23	1672
AAA M	Cumnock	16.4	2.8	65.0	79	36	1660
AAAA M	Cumnock	16.7	2.9	65.1	87	30	1651



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