



MOSES & SON

WOOLBROKERS MERCHANDISE LIVESTOCK

Week 51: 20/06/2019

The AWEX EMI closed on 1766c - down 57c at auction sales in Australia this week. The second last sale of the financial year offered a meagre 19,072 bales in Sydney and Melbourne with Fremantle sellers sitting on the sidelines this week.

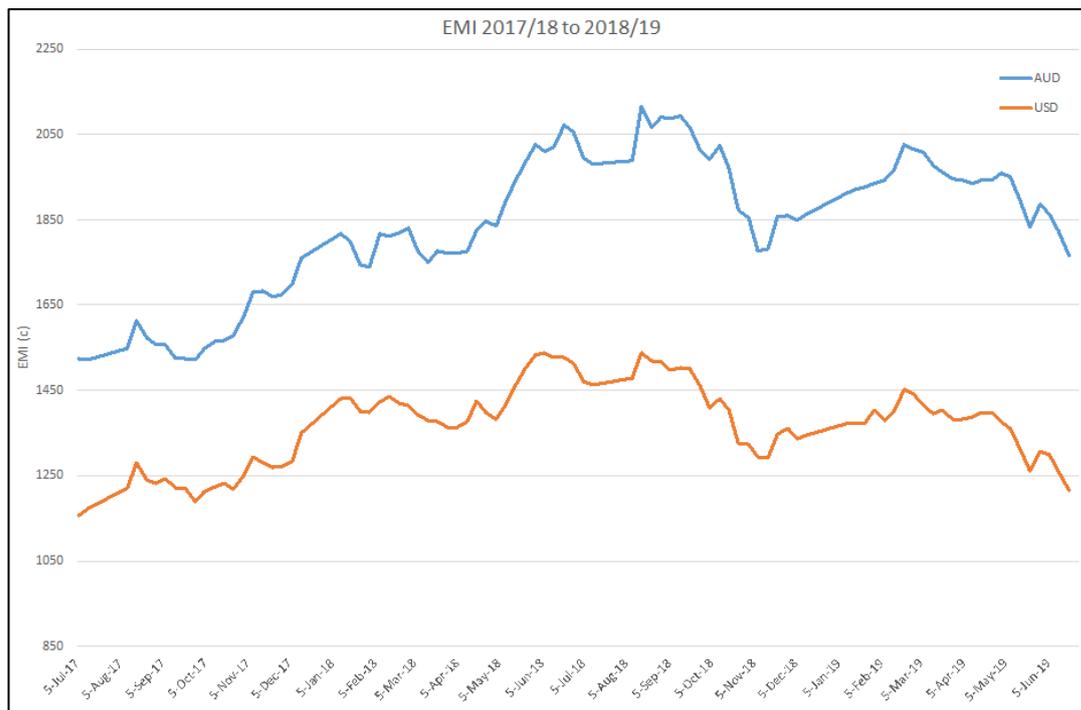
The 12.8% pass in did not reflect the market's poor performance (-194c) over the past 8 weeks, however the fall in the MPG's certainly

did, with **Merino Fleece** MPG's dropping between 45c and 60c for the week. Wednesday's market opened with an immediate 30-40c drop and that number grew to 45c-66c by the end of the day. Like somebody flicked a switch after the lunch break, buyers slowly re-entered the bidding and support increased slightly in the last few hours of selling, however the EMI for Thursday was still 5c cheaper for the day.

Merino Skirting's performance mirrored the fleece performance in % terms, posting a solid ½ day on Thursday.

Cardings showed better resilience with 20c losses on the first day of selling, turning into a 10c recovery in the latter parts of Thursday.

Crossbreds featured lower numbers on offer, making quoting in Sydney almost impossible, however the Melbourne mustered nominal quotes highlighting losses between 10c and 30c for the week.



MPG North	Percentile	20/06/2019	13/06/2019	Variance	5 Year Average	5 year var	5 year % var
17	74.6%	2,217	2,345	-128	2,000	217	10.9%
18	83.3%	2,187	2,238	-51	1,887	300	15.9%
19	88.0%	2,090	2,144	-54	1,741	349	20.1%
20	90.1%	2,071	2,128	-57	1,645	426	25.9%
21	90.2%	2,068	2,174	-106	1,607	461	28.7%
22	90.2%	2,050	2,100	-50	1,572	478	30.4%
30	93.6%	850	939	-89	702	148	21.1%
EMI	91.0%	1,766	1,823	-57	1,325	441	33.3%

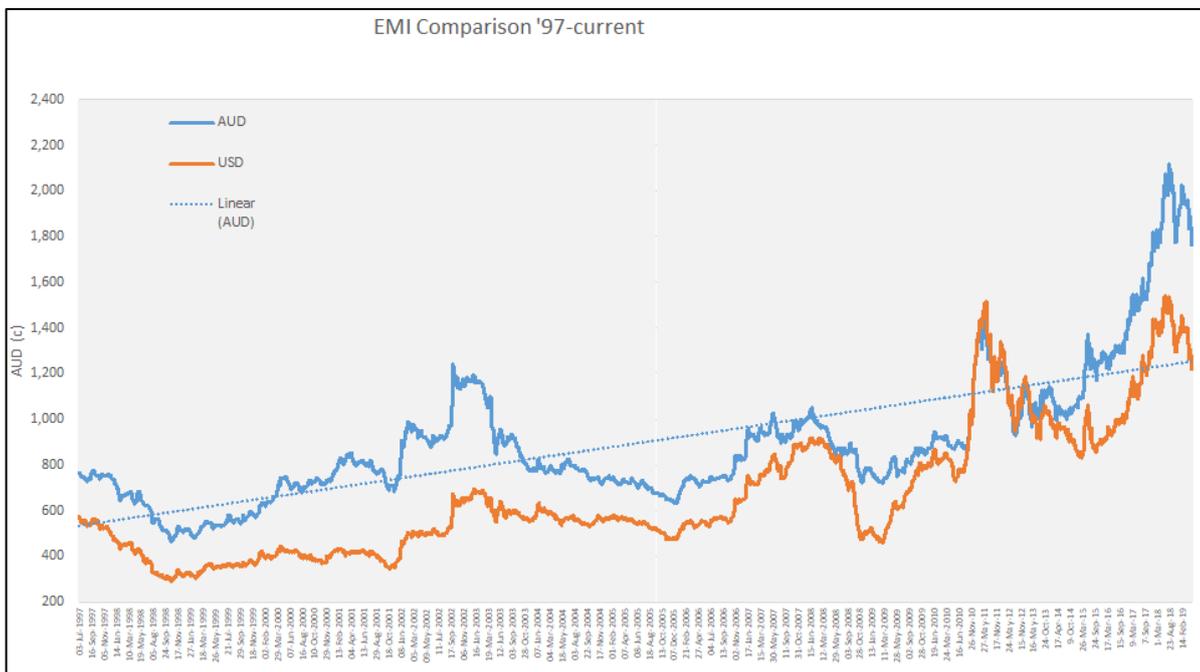
There are some telling stats that have emerged from this week's wool sale results. Compared to the same sale last year, this year's EMI is 307c (14.8%) lower. When you compare this week's EMI to the peak of the market in late August 2018, a loss of 350c or 16.5% retracement from its record highs. When you compare this to the retracement to the 2011-2012 fall, it is almost identical in percentage and what is more absurd, the average of the three previous major retracements was about 16%. We can only hope that there is some follow through



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on the closing sentiment where many passed in lots were snapped up after the sale. If this is the pivot point for the wool market then buyers now have just three sales in Australia to test the new interest before the 3-week July recess begins. Price volatility may continue to be the feature of this wool market.



Region	Centre	20/06/2019	13/06/2019	Variance	Bales Offered	Bales Sold	Pass-in%	Next Sale Offering
Northern	Sydney	1,789	1,842	-53	8,098	7,123	12.0%	8,073
Southern	Melbourne	1,751	1,810	-59	10,974	9,511	13.3%	15,573
Western	Fremantle	NO SALE	1,937	NA	NA	NA	NA	7,226
National	AWEX EMI	1,766	1,823	-57	19,072	16,634	12.8%	30,872

On the flip side, I attended the MerinoLink Conference held in Armidale NSW followed by a field day held at the CSIRO Cheswick site. Over 160 attended the conference and at a guess over 300 turned up at the MerinoLink and MLP field day. It was a very well organised line up of speakers who held the attention of the knowledge hungry New Englanders. So, well done MerinoLink Board and organising Committee. I must comment on the seasonal (or lack thereof) conditions from Temora to Armidale then across through Walcha to Gloucester then onto Sydney. The drought extends all the way and not once did I see a paddock with grass or advanced crop that was not under a centre pivot. With the current forecast for wool production set to come in at -14% in Australia, one wonders how many more sheep (and cattle) will have to be sold off whilst the supplementary feeding just keeps on keeping on. I think that the wool production figure of -4.5% will grow to -6 or 7% before too long.

~ Marty Moses

Moses & Son Top price report

Desc	District	Micron	VM	Yield	SL	SS	Price
AAA M	West Wyalong	18.8	1.3	65.2	110	33	1330
AAA M WNS	West Wyalong	17.5	1.3	62.9	99	37	1289
AAA M	Young	18.1	0.5	62.2	89	42	1269
AAA M	Young	18.3	0.5	61.7	87	34	1253
AAA M	Young	18.3	0.5	61.5	89	41	1250