



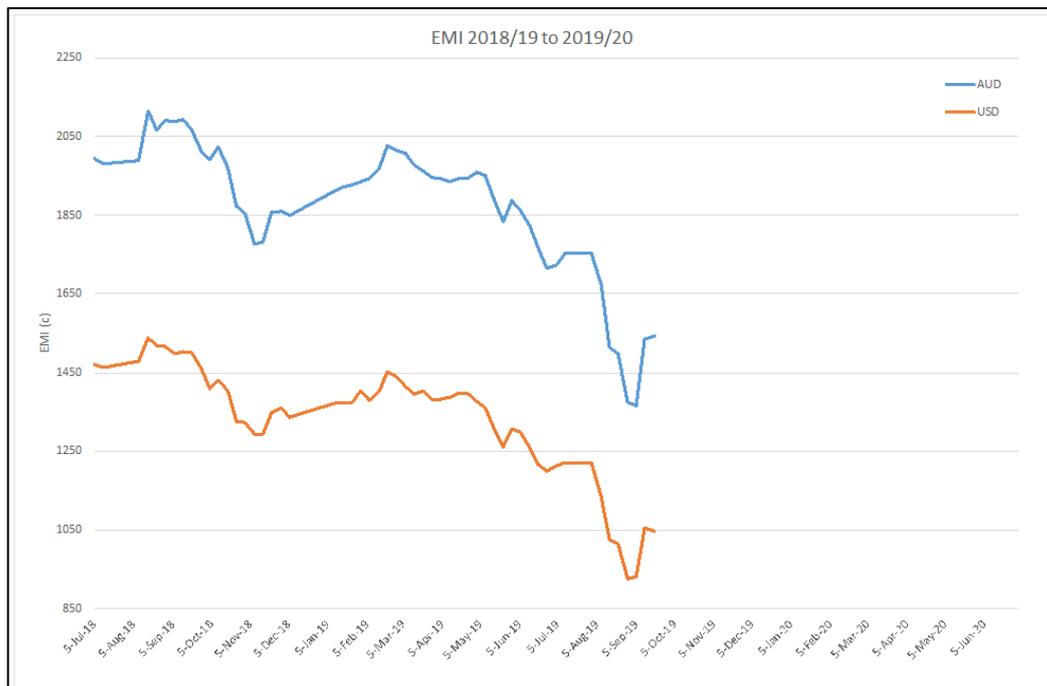
# MOSES & SON

WOOLBROKERS MERCHANDISE LIVESTOCK

## Week 12: 19/09/2019

The AWEX EMI closed on 1542c, up 7c at auction sales in Australia this week.

After last week's explosive correction setting daily and weekly records for a market price rise, all eyes were on how the market would back up. In addition there was a high level of interest in how the price differential caused by the split day selling roster last week. The regional price guides were extremely interesting as the Northern Market indices posted a 36c rise whilst Melbourne fell 12c and Fremantle delivered a positive 18c rise. This indicates to me that Melbourne's market got a little too heated last week, but quickly aligned with the other centres and formed a solid price basis, something we have been wishing for during the negative events over the past 7 weeks.



**Merino Fleece** attracted solid buyer demand posting good rises across the merino MPG's range. This extended into the lower yielding and inferior specified lots which have been under huge price pressure.

**Merino Skirtings** attracted strong competition resulting in the price rises being marginally better than their fleece counterparts and taking out the best supported sector for the week.

**Crossbreds** were difficult to quote due to limited offerings however they remain dearer in the northern markets and slightly cheaper in the Southern region.

**Merino Cardings** followed the weekly and regional trends with Sydney posting a +28c Melbourne -19c and Fremantle +16c.

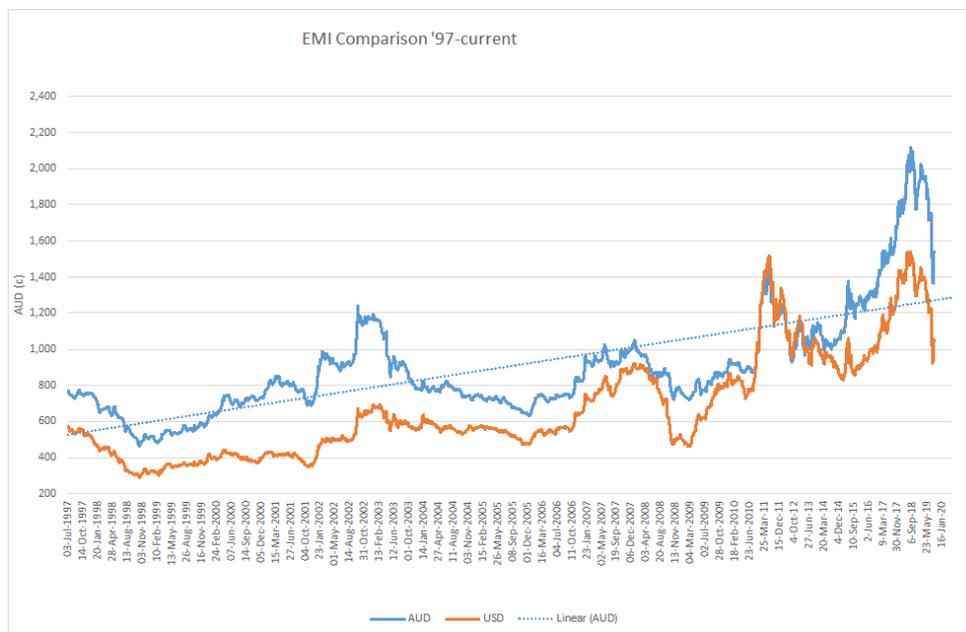
MPG North	Percentile	19/09/2019	12/09/2019	Variance	5 Year Average	5 year var	5 year % var
17	67.2%	1,967	1,930	37	1,998	-31	-1.5%
18	71.6%	1,902	1,853	49	1,885	17	0.9%
19	75.5%	1,775	1,755	20	1,739	36	2.1%
20	84.4%	1,743	1,682	61	1,644	99	6.1%
21	85.4%	1,720	1,645	75	1,606	114	7.1%
22	85.5%	1,700	1,630	70	1,571	129	8.2%
30	86.8%	780	813	-33	702	78	11.2%
EMI	87.1%	1,542	1,535	7	1,325	217	16.4%



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A point of interest for me is the Nanjing Wool Marketing Conference, commenced today in Qufu, Shandong Province China. The "Nanjing Conference" is China's leading and longest-running conference on wool. NWMC draws people of all fractions of the textile industry worldwide, providing ideas, advice and networking opportunities important to business executives, policymakers, and researchers. Unfortunately I had to cancel my travel arrangements to attend this conference.



My market intel sources reveal it has been suggested that firmer market signals will emerge from this

conference, after an unprecedented 6 week period of zero confidence in trading wool, which effected the EMI slide of 389c from the market close on the 11<sup>th</sup> July to the 5<sup>th</sup> September. I am sure Australian Wool production, Exotic Animal Disease, Trade Tariffs and Wool Quality will also be high on the agenda of the Australian-China Joint Working Group on Wool.

Region	Centre	19/09/2019	12/09/2019	Variance	Bales Offered	Bales Sold	Pass-in%	Next Sale Offering
Northern	Sydney	1,570	1,534	36	8,668	7,973	8.0%	7,559
Southern	Melbourne	1,524	1,536	-12	15,027	13,233	11.9%	14,904
Western	Fremantle	1,643	1,625	18	6,440	5,801	9.9%	6,827
National	AWEX EMI	1,542	1,535	7	30,135	27,007	10.4%	29,290

Moses & Son Top Price Report							
Desc	District	Micron	VMB	Yield	SL	SS	Price
AAA M	Temora	15.1	1.2	63	72	30	1384
AAA M	Grenfell	16.6	1.1	61.9	92	19	1152
AAA M	West Wyalong	20.2	0.3	62.5	105	42	1081
AAA M	Temora	18.5	1.3	60.3	97	27	1075
AAAA M	Grenfell	16.5	1.1	57.7	87	18	1070

With **29,290 bales** on offer next week and the recently substantiated market level being formed it is hard to see the current level being significantly altered. However as the weeks progress and the season remains dry there are some almost certain trends that may affect the flow of wool onto the market. Most significantly are the YTD offerings, which are down 21.4% (73,762 bales). Whilst this could be a combination of the price forcing wool into "hold" it also reflects the general pattern of lower production as large parts of NSW are enduring arguably the worst drought on record. The fear is that some of the wool will all hit the market in a hurry of the price recovery continues. Some restraint is needed by selling agents here to consider either spreading out the offerings or offering partial clips over a period. Remembering that Agents only get paid when the wool is sold could be the test here. ~ **Marty Moses**