



# MOSES & SON

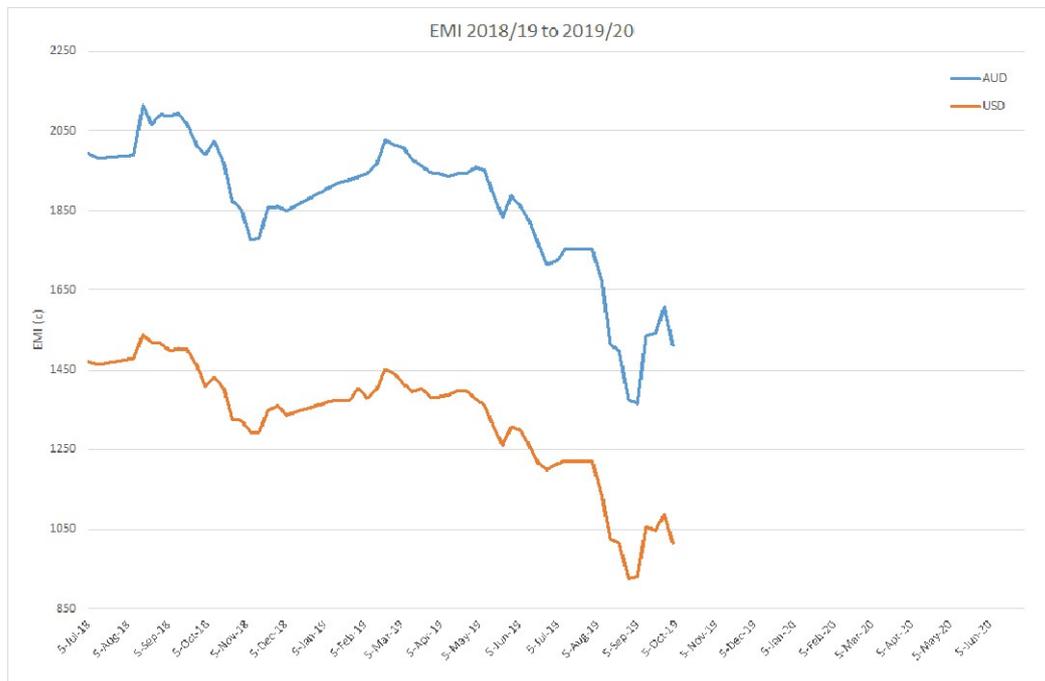
WOOLBROKERS MERCHANDISE LIVESTOCK

## Week S14:

The AWEX EMI closed on 1511c down 98c in auction sales in Australia this week. After the sharp rise in the EMI experienced over the previous week, the early estimate for this week's sale roster was 41,000 bales but as this week progressed just 37,021 bales made the rostrum.

As the poorer market conditions evolved only 24,570 bales were sold with a substantial 33.9% of

the offering was passed in for the week. The large falls saw pushback from sellers to accept the new price and pass in rates ranged from 33.7% in the north to 48.5% in the West with the Southern pass in rate sitting at 45.7%. This reflected sellers' unpreparedness and resistance to the wild movements.



MPG North	Percentile	3/10/2019	26/09/2019	Variance	5 Year Average	5 year var	5 year % var
17	62.4%	1,872	2,003	-131	1,998	-126	-6.3%
18	63.7%	1,840	1,965	-125	1,885	-45	-2.4%
19	70.0%	1,739	1,871	-132	1,739	0	0.0%
20	79.9%	1,699	1,843	-144	1,644	55	3.4%
21	81.6%	1,684	1,828	-144	1,606	78	4.9%
22	82.0%	1,665	1,810	-145	1,571	94	6.0%
30	69.0%	680	780	-100	702	-22	-3.1%
EMI	79.3%	1,511	1,609	-98	1,325	186	14.0%

**Merino Fleece** opened the week down 60-75c on Wednesday with a new lower level formed pretty quickly in the day. It was a surprise to see Thursday repeat this trend with the MPG's falling another 50-74c to post week-end falls of 120-145c across the entire range of Merino MPG's. The closing hour of sales pulled the market back further than the earlier lots sold.

**Merino Skirtings** fell less than their fleece counterparts. Prem shorn fleece and skirtings seem to have more resilience due to the demand from the knitting (Sweater) market. **Crossbreds** also took a savage hit across the comeback FXB and medium micron range falling 50-90c with nominal quotes due to the small offering. I think the increased volumes of crossbred wool over the next few months will place further downward price pressure this sector. **Cardings** fared well this week, out-performing the other categories with Sydney posting a 12c increase, Fremantle added 7c and Melbourne lost 6c for the week.

Wool's weekly rollercoaster ride is really taking its toll, and from the producer right through to the selling agent, exporter and the processors pain is felt. Despite the previous week's market rise, sellers who have



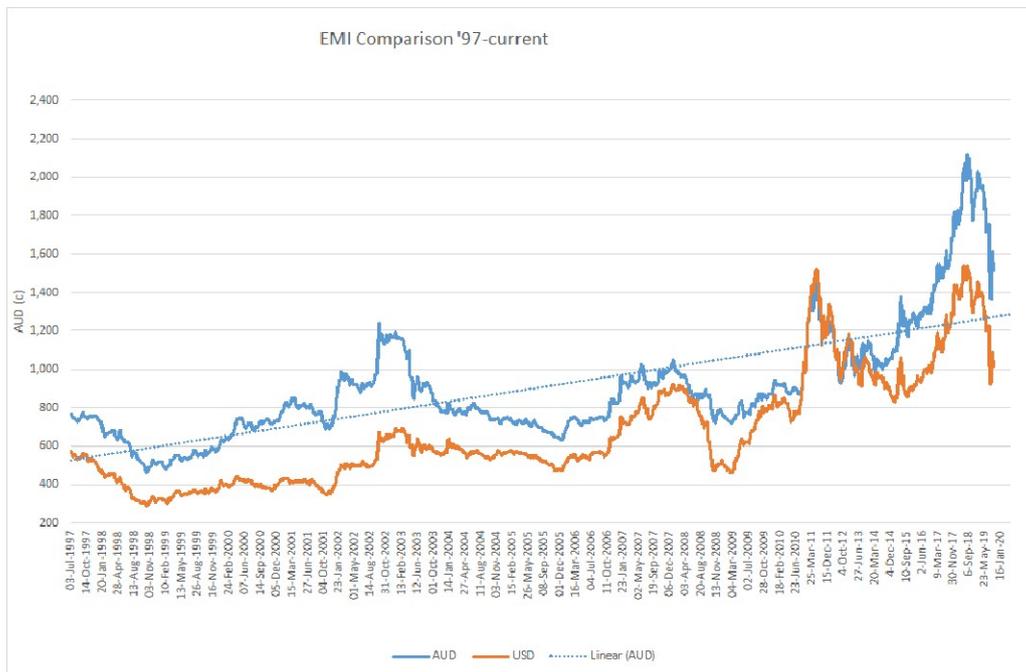
# MOSES & SON

**WOOLBROKERS MERCHANDISE LIVESTOCK**

been waiting for a clear signal to offer their clip were disappointed and it closed this week below the levels of three weeks ago.

The current market could be likened to a game of snakes and ladders, where it takes 10 throws of the dice to get to the home run and with one cruel throw of the dice you slide back to the bottom again. We have been hearing for a while now that volatility will be the feature in wool markets, with increasing uncertainty for slowing world financial

markets, increased trade tariffs between the US and China and the ongoing issue with British and Brexit, and you guessed it media talk on a possible global recession.



Despite the support from European and Indian interests in the market, China remains our largest purchaser of wool and remains the hardest puzzle to solve, as their buying habits are becoming more frenetic. I really think that the true market signals and some form of stability won't emerge for a few months in the meantime its sell and repent, sell and replace or hold and hope.

Next week's early offering estimate is back to 34,174, however as this week's market result are communicated and digested, quantities may reduce even further before the sale opens. My crystal ball (whilst still cloudy) thinks there will be some support emerge at the closing levels for merino fleece and skirtings. Crossbreds may come under further pressure from the increased volumes of offerings expected over the run up to Christmas.

~ Marty Moses

Region	Centre	3/10/2019	26/09/2019	Variance	Bales Offered	Bales Sold	Pass-in%	Next Sale Offering
Northern	Sydney	1,538	1,635	-97	9,512	6,992	26.5%	8,341
Southern	Melbourne	1,493	1,593	-100	16,737	11,010	34.2%	18,085
Western	Fremantle	1,610	1,702	-92	7,299	4,321	40.8%	7,748
National	AWEX EMI	1,511	1,609	-98	37,021	24,643	33.4%	35,685

Moses & Son Top Price Report							
Desc	District	Micron	VMB	Yield	SL	SS	Price
AAA M	Carcoar	18.1	0.4	72.6	69	49	1396
AAA M	Carcoar	17.4	0.4	71.4	72	48	1388
AAA M	Carcoar	16.6	0.4	70.2	64	43	1313
AAA M	Carcoar	19.0	0.3	71.6	64	46	1290
AAA M	Caragabal	19.0	0.8	69.1	81	44	1269