



MOSES & SON

WOOLBROKERS MERCHANDISE LIVESTOCK

Week S24:

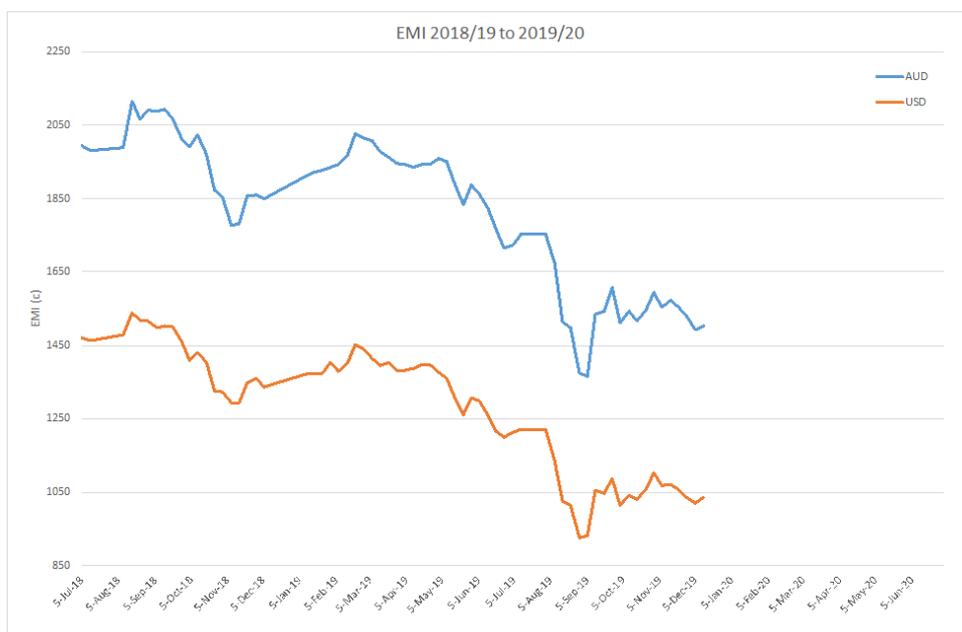
The AWEX EMI closed on 1503c, up 11c at auction sales in Australia this week. There was some nervousness as we approached the second last sale week of 2019. Firstly - the offering of 48500 bales was the largest offering since mid-January 19 and in the previous three weeks the EMI had posted an accumulative loss of 72c, so as Tuesday's market opened slightly stronger it came as a pleasant surprise. Around The pass in rate of 10.7% was indicative of the wider buyer support especially in the Merino MPG's and as the market progressed it was apparent that about 10% of the offering was withdrawn before sale bringing the final offering back to 42,500 bales.

Merino Fleece posted healthy price increases ranging from 7-45c however some reason in Melbourne 18.5 MPG lost 19c. Buyer competition was consistent throughout the week as they were obviously driven to secure quantity ahead of the three week Christmas recess. The price basis for Merino fleece is only 110c between 18 μ and 22 μ highlighting the drought related supply deficit in the medium micron categories. Another feature of the week was the range of types in demand, which extended to low style / poor yielding and short / long staple length.

Merino Skirtings followed the fleece lead with price increases from 10 – 20c. There was some evidence of this category softening slightly towards the end of the final days selling.

Cardings were the only sector not to maintain or post a price increase this week however the 20% increase in offering of this type would explain national fall of 15c. XB lambs and merino stains were noticeably irregular.

Crossbred offerings were slightly larger than the previous weeks and the best style, well classed and skirted lots attracted good competition driving the 28-32 MPG's up 15-20c however the buyer support did not extend to a wide range of types.



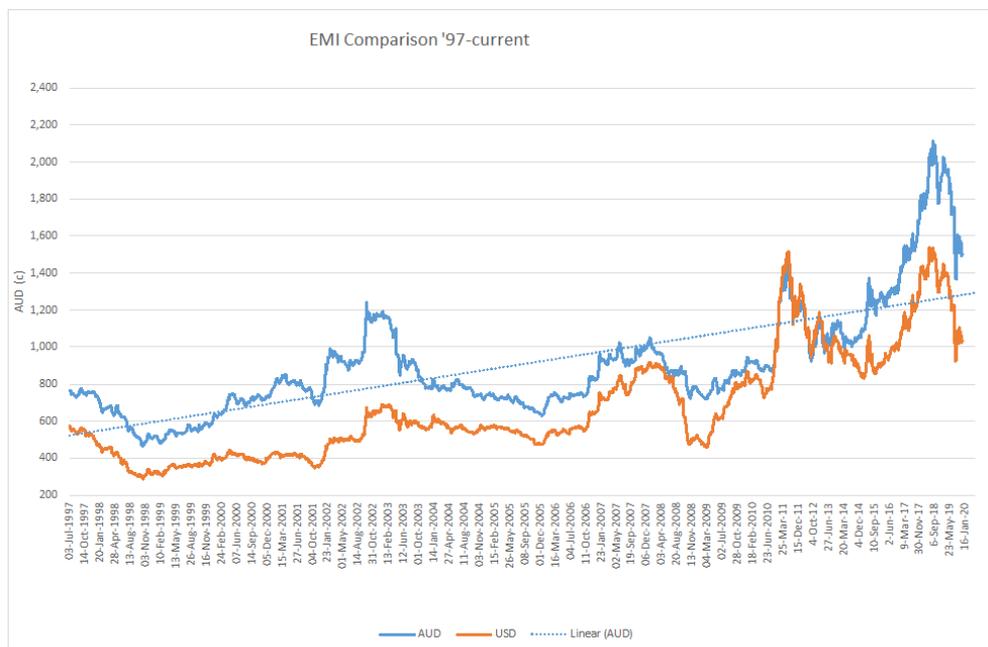
MPG North	Percentile	12/12/2019	5/12/2019	Variance	5 Year Average	5 year var	5 year % var
17	62.1%	1,925	1,908	17	1,998	-73	-3.6%
18	62.0%	1,815	1,808	7	1,885	-70	-3.7%
19	67.8%	1,723	1,706	17	1,739	-16	-0.9%
20	78.6%	1,708	1,683	25	1,644	64	3.9%
21	80.4%	1,705	1,681	24	1,606	99	6.2%
22	80.8%	1,685	1,670	15	1,571	114	7.3%
30	63.6%	660	650	10	702	-42	-5.9%
EMI	77.5%	1,503	1,492	11	1,495	8	0.5%



MOSES & SON

WOOLBROKERS MERCHANDISE LIVESTOCK

Next week's offering of 39,430 bales brings the 2019 sale year to an end, and in what has been a year of mixed results for sheep and wool producers. Whilst the drought continues to have huge impact on sheep number and wool production, the reduced demand for wool is certainly mounting some serious questions over the marketing and perception of the Australian wool clip. With a reduction of 20% in the wool production in the past 20 months, it is extraordinary that in the same timeframe the EMI has reduced by 29% albeit from a record 2,116 EMI. Thankfully the price sheep meats (courtesy of swine flu in China) is partially offsetting this with the mutton to lamb ratio currently at +70% up from about 40%.



Today, we will see the result of Britain's election where it is tipped that the Conservative party will return to Government with a substantial majority to execute their BREXIT strategy, and early next week the signing of the first stage trade agreement between China and America is scheduled. If both of these events go to plan, then I think some short term confidence will filter through to our markets in early next year. However there are still many challenges ahead.

Region	Centre	12/12/2019	5/12/2019	Variance	Bales Offered	Bales Sold	Pass-in%	Next Sale Offering
Northern	Sydney	1,527	1,524	3	9,777	8,999	8.0%	10,400
Southern	Melbourne	1,488	1,471	17	24,112	21,502	10.8%	20,468
Western	Fremantle	1,614	1,604	10	8,653	7,484	13.5%	8,562
National	AWEX EMI	1,503	1,492	11	42,542	37,985	10.7%	39,430

The week's positive result has been a glimmer of light from what has been a monotonous view from a long dark tunnel. It seems that the interest was a combination of China, Europe and Indian interest aligning in the same week, possibly securing quantity for delivery in early February 2020. However the slight upward correction still has to get through another sale week, which I think will be a week of smaller changes due to a sharp increase in the currency exchange from \$0.683 to \$0.692. On a closing note many thanks to the clients that supported the very popular Summer Updates held this week, it was great to go on tour with our selection of quality presenters, Carmen Quade, Phil Graham and Dr Paul Swan. – **Marty Moses**

Moses & Son Top Price Report							
Description	District	Micron	VMB	Yield	SL	SS	Price
AAA M	Cootamundra	18.3	0.3	68.6	71	49	1211
AAA M	Illabo	16.9	0.2	64.5	95	18	1206
AA M	Various	17.0	0.2	63.6	69	35	1189
AAA M	Cootamundra	18.1	0.4	65.7	74	39	1178
AAA M	Galong	18.8	0.7	68.8	114	31	1176