



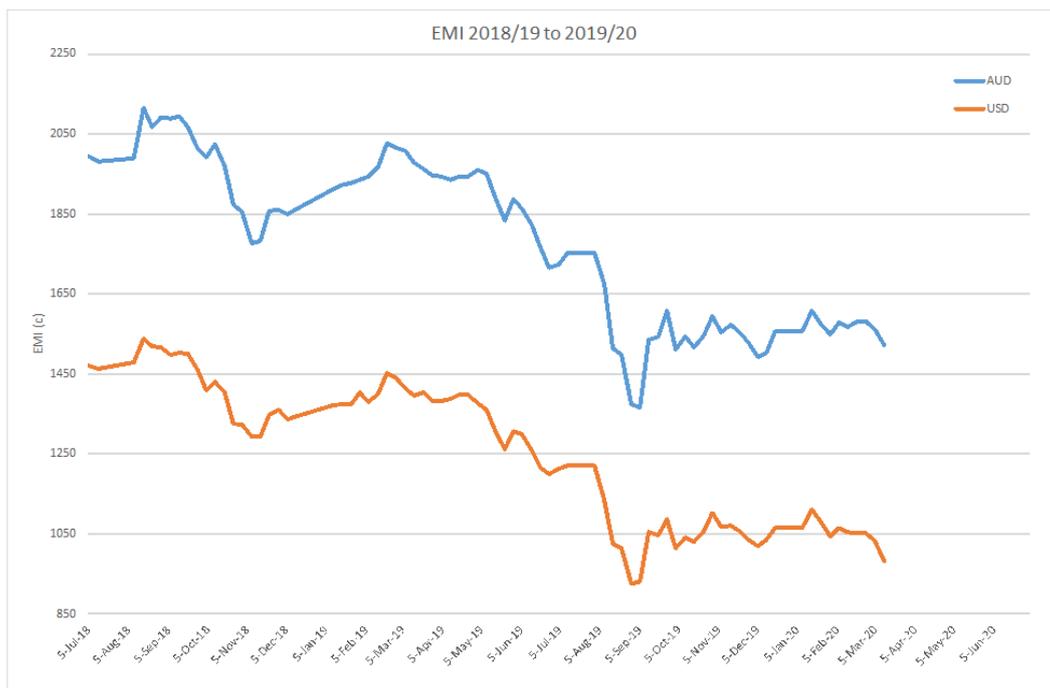
MOSES & SON

WOOLBROKERS MERCHANDISE LIVESTOCK

Week S37:

The AWEX EMI closed on 1521c down 41c at auction sales in Australia this week. World stock markets went into free fall as the NY stock exchange delayed trading on two occasions for the fortnight. With a record 26% devaluation of value on the world's major indices, the emotion of investors was signalled extremely nervous. The 43,579 bale offering opened on Wednesday with early market intelligence indicating that it could be 10-20 cheaper, however exporters were visibly restricted in their purchasing activity from the opening.

This resulted in a 39c fall in the EMI on Wednesday, with 25.5% of the offering being passed in and another 6.2% withdrawn before sale.



Merino Fleece offered an increase percentage of average and poor style wool this week which resulted in the majority of these lots falling in price 40-80c. In some cases the worst lots for yield, strength and CVH were over 100c cheaper on the first day of selling. As the week unfolded exporters were attracted back into the market by the lower price level. Conversely, best style and specified lots were keenly sought and some MPG's posted slight gains on the final day.

Merino Skirtings mimicked the fleece with the largest falls experienced on Wednesday and firming up on Thursday.

Merino Cardings joined the downward trend of the merino combing wools however the lower VM merino Locks, Lambs, Stains and Crutchings attracted better interest for the week.

Crossbreds finer than 27 μ struggled with falls of 15-20c posted over the two days whilst some price support was experienced in the 28-32 MPG's.

MPG North	Percentile	12/03/2020	5/03/2020	Variance	5 Year Average	5 year var	5 year % var
17	62.6%	1,987	2,072	-85	1,998	-11	-0.5%
18	61.8%	1,850	1,932	-82	1,885	-35	-1.9%
19	70.0%	1,768	1,826	-58	1,739	29	1.7%
20	79.0%	1,748	1,803	-55	1,644	104	6.4%
21	80.4%	1,743	1,783	-40	1,606	137	8.6%
22	82.0%	1,730	1,770	-40	1,571	159	10.1%
30	70.5%	690	690	0	702	-12	-1.7%
EMI	77.0%	1,521	1,562	-41	1,495	26	1.7%



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The impact of COVID19 on our markets hit new levels of devastation around the world, and this week the stock market reaction has been described as “like rolling the 1987 crash and the Global Financial Crisis into one”!

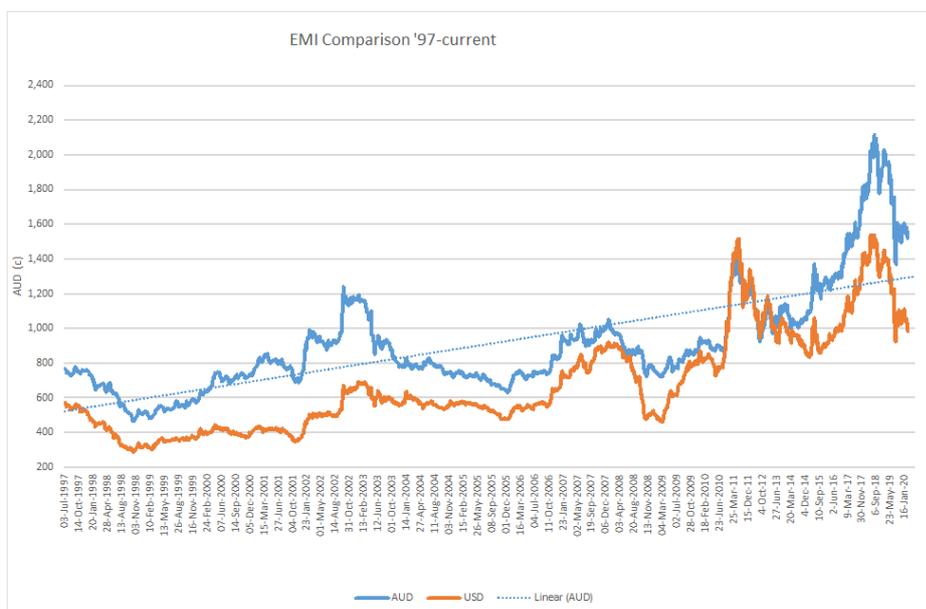
With China importing 74% of the Australian wool clip, the effect of COVID19 on their purchases have been profound over the past month. Whilst there are reports of the Chinese people now venturing out into the stores and sales of goods are slowly restoring back to some level of normality domestically, the impact of COVID19 has been heavily felt in Japan, Europe and the US which has basically stopped the export of tops or fabric to these important countries as they grapple with the management of nuances of the COVID19 virus. For instance the impact of the virus outbreak in Northern Italy has had a profound impact on Milan the Italian hub of fashion as well as the Biella region which houses the majority of the high end spinners, weavers and garment makers. To add to the challenges next week's offering of 50,523 bales will add further pressure to the fleece market which struggled to deal with 43,000 bales this week.

Region	Centre	12/03/2020	5/03/2020	Variance	Bales Offered	Bales Sold	Pass-in%	Next Sale Offering
Northern	Sydney	1,557	1,605	-48	8,864	7,057	20.4%	9,131
Southern	Melbourne	1,498	1,536	-38	23,204	17,345	25.2%	29,345
Western	Fremantle	1,616	1,662	-46	11,511	8,064	29.9%	11,777
National	AWEX EMI	1,521	1,562	-41	43,579	32,466	25.5%	50,253

The ongoing question of what to do with my wool clip I can only offer this advice; regardless of your cash requirements I would be selling Cardings Crossbreds and Merino Skirtings as these markets have good inquiry currently, however Merino Fleece has been the area of most apprehension and the best advice is more tailored to clip and the cash requirement. Obviously anyone that has held wool is in a difficult position.

Whilst there is reasonable demand for Fine or superfine wool with better than average specifications the volume of drought affected, Low yielding, Low staple strength and high CvH will continue to plague the market especially

when the mills that can process these wool types have been in and out of the market as they did this week. These are difficult times, and in hindsight, it's easy to say we need to continually manage the possible downside threats. However the crystal ball remains very foggy as the management of COVID19 is dynamic and the longer we go on the more we will know. I cannot see at this point a restoration of the market to the January 20 levels. – **Marty Moses**



Moses & Son Top Price Report							
Description	District	Micron	VMB	Yield	SL	SS	Price
AAA M	Young	15.8	0.3	63.4	77	28	1345
AAA M	Young	17.1	0.6	62.2	96	24	1178
AAA M	Young	18.5	0.4	65.3	91	39	1166
AAA M	Young	20.2	0.3	63.1	92	28	1074
AAAA M	Young	19.3	0.2	62.7	105	24	1060