

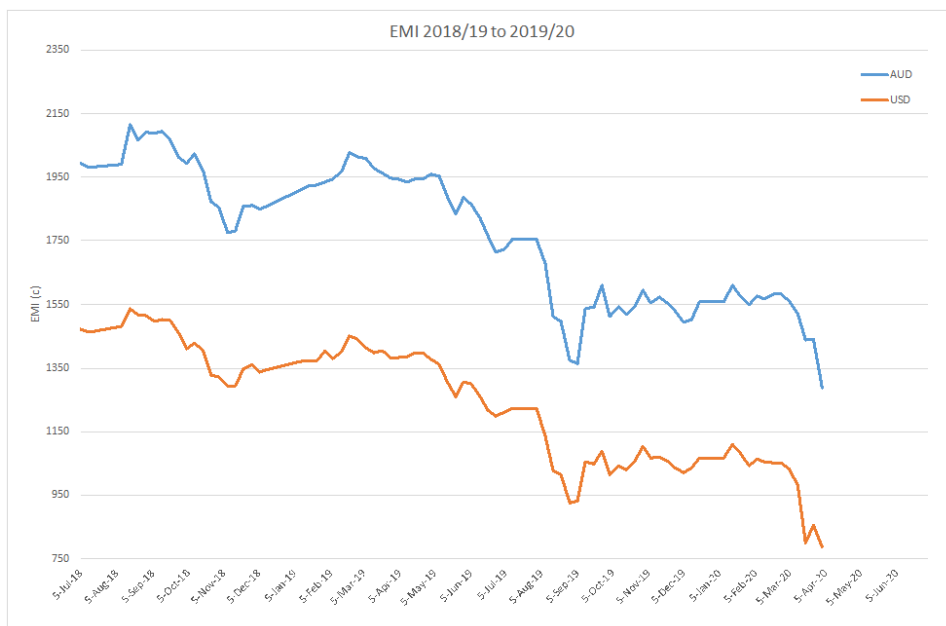


MOSES & SON

WOOLBROKERS MERCHANDISE LIVESTOCK

Week S40:

The AWEX EMI closed on 1287c down 155c at auction sales in Australia this week. The impact of the COVID 19 virus reversed last week's positive trend with the pass in rate sky-rocketing to 44.9%, the largest pass in rate since 2003 and one of the worst weeks in modern history. From the initial published offering of 45,810 bales, just 20,782 bales were sold with the presale withdrawn bales totalling 16.6%. Tuesday's sellers were not prepared for the magnitude of the price fall with the EMI closing 97c for the day the largest single daily



fall since August 2019. The main causes of the markets crash are all COVERT 19 related, with the combination of the news of border closures of both India and Italy, Australia's 2nd and 3rd major purchasers of greasy wool. It seems ironic that China (the largest purchaser of Australian greasy Wool) are now returning to full production, however the Chinese stocks of processed wool are now restricted for trade to the rest of the world, due to the border closures. Emerging reports of broken contracts and further financial pressure on the Chinese businesses as well as our Australian Exporters are emerging as a major concern for the industry.

In a the words of a leading Australian based Exporter, it was an absolute "Sh** Fight" as sellers grappled to adjust to the sharp falls experienced especially after last week's EMI's show of strength.

Merino Fleece saw falls of ranging between 120-140c on the 16 & 17 MPG's whilst the 17.5 and coarser microns fell between 150-180c. Limited competition saw the low yielding drought affected wool hardest hit however there were no joy in any of the merino fleece lots.

Merino Skirtings followed the fleece's spiralling trend however the pass in rates for Merino Skirtings were substantially less.

Crossbreds lost between 109-168c, some of the largest falls in percentage terms for the week.

Merino Cardings were variable with falls recorded across the three centres ranging from 74-152c Melbourne being the worst result.

MPG North	Percentile	1/04/2020	26/03/2020	Variance	5 Year Average	5 year var	5 year % var
17	55.8%	1,743	1,883	-140	1,998	-255	-12.7%
18	53.1%	1,578	1,754	-176	1,885	-307	-16.3%
19	54.8%	1,508	1,665	-157	1,739	-231	-13.3%
20	61.6%	1,463	1,632	-169	1,644	-181	-11.0%
21	65.9%	1,458	1,609	-151	1,606	-148	-9.2%
22	67.6%	1,440	1,600	-160	1,571	-131	-8.3%
30	14.0%	550	690	-140	702	-152	-21.6%
EMI	62.5%	1,287	1,442	-155	1,503	-216	-14.3%



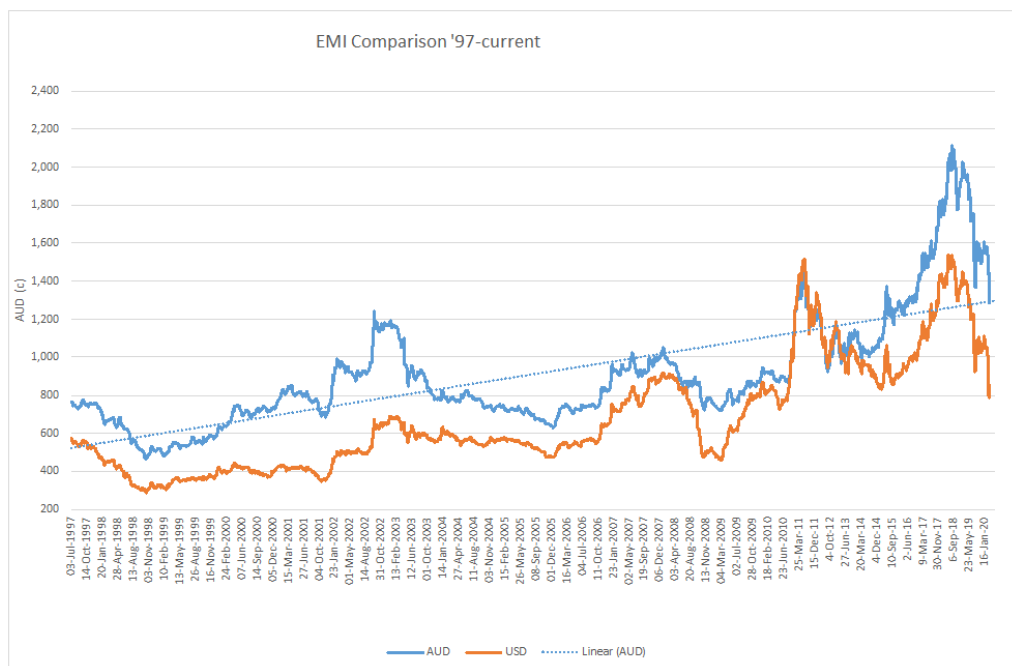
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As the continuance of Wool Auction Sales have had the support of the government departments as an essential service, trials of alternate sale methods are pushing ahead. Moses & Son are participating and observing several options that allow remote bidding. Our auction team conducted live trial auction sales over the ZOOM platform on Thursday to 20 buyers with encouraging success. All Australian selling centres have trialled this relatively simple method of remote electronic auctions with surprising success. Next week there is talk of going live with a small sample to see how the buyers perform under full commercial conditions.

One would think that next week's offering of 44,216 bales will be met with further buyer apprehension given the above mentioned factors relating to the effects of the COVID-19 Virus. I am tipping in the event of a repeat performance of this week's market and would expect elevated pass in and presale withdrawn rates.

– Marty Moses



Region	Centre	1/04/2020	26/03/2020	Variance	Bales Offered	Bales Sold	Pass-in%	Next Sale Offering
Northern	Sydney	1,320	1,482	-162	9,431	5,278	44.0%	10,280
Southern	Melbourne	1,266	1,416	-150	22,286	12,410	44.3%	25,288
Western	Fremantle	1,353	1,512	-159	5,996	3,094	48.4%	8,648
National	AWEX EMI	1,287	1,442	-155	37,713	20,782	44.9%	44,216

Moses & Son Top Price Report							
Description	District	Micron	VMB	Yield	SL	SS	Price
AAA M	Tallimba	14.0	1.4	56.4	51	-	1050
AAA M LMS	Coleambally	17.2	1.8	58.9	72	37	1036
AAA M	Morundah	17.5	2.6	64.1	78	41	1026
AAA M	Narrandera	17.7	0.7	60.3	118	40	1002
AAAA M	Wallendbeen	19.2	0.3	64.0	88	35	986