

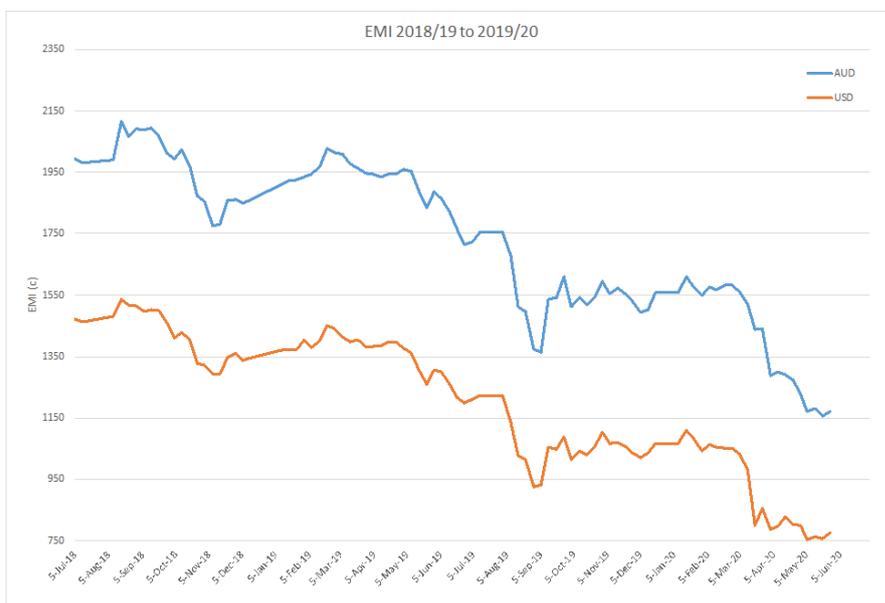


# MOSES & SON

WOOLBROKERS MERCHANDISE LIVESTOCK

## Week S48:

The AWEX EMI closed on 1170c, up 15c at auction sales in Australia this week. The small offering of 18,828 coupled with Exporters purchasing against forward sales, gave respite to the sliding market trend experienced since August last year. Just 7.9 % of the national offering was passed in with the best clearances to the trade for 9 months. The crossbred sector was the “fly in the ointment” in relation to clearance terms, posting an average pass-in and withdrawn rate of 20% nationally this week. The EMI peaked at 1172c on Tuesday in Sydney and Melbourne however lost 2c on Wednesday as Melbourne and Fremantle closed out the week.



**Merino fleece** experienced across the board MPG rises of 18-29c with the superfine premium 17 $\mu$ -19 $\mu$  holding 21% (290c). The discount for the drought affected lower yielding wools held firm in the stronger market with increased competition emerging for these types.

**Merino Skirtings** followed the fleece trend with solid rises posted. What was noticeable in many cases in our catalogue of low yielding wools, the skirting yields surpass the fleece and hence the greasy price achieved were in some cases were 60-95c over their fleece counterparts.

**Crossbreds** posted rises of 10-20c with the emphasis of well classed and specified 28.5 $\mu$  and finer types attracting the competition. Whilst the Coarse crossbreds (>29 $\mu$ ) bump along the bottom of their price band in historic terms.

**Merino Cardings** posted price rises of 20c in the Northern Region, 16c in the southern Region and an encouraging rise of 37c in Fremantle as purchasers for these types seem to gathering momentum after solid rises last week. Best merino crutching Crossbred cardings are still lacking real any competition.

MPG North	Percentile	27/05/2020	20/05/2020	Variance	5 Year Average	5 year var	5 year % var
17	49.8%	1,653	1,625	28	1,998	-345	-17.3%
18	42.5%	1,498	1,473	25	1,885	-387	-20.5%
19	37.4%	1,363	1,339	24	1,739	-376	-21.6%
20	38.3%	1,296	1,278	18	1,644	-348	-21.1%
21	38.4%	1,275	1,255	20	1,606	-331	-20.6%
22	37.5%	1,240	1,220	20	1,571	-331	-21.1%
30	5.3%	450	430	20	702	-252	-35.9%

Next week’s offering reduces back further to 17,136 bales. The low offering coupled with the buying activity on off market offer boards post sale, there should be a maintenance of this week’s prices at least. However exporters report difficulty in forward selling fleece at this week’s levels and therefore, it seems, for the short term a continuation of the degrading price curve is imminent. Reports of Activity from China being thwarted



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by a growing number of consignments being held in bonded Chinese warehouses awaiting the opening of their letters of credit is alarming at the very least. Chinese top makers are reducing processing capacity in anticipation of more positive signals to come from up the wool and textile pipeline. India remains to sit out of the market as does Italy as their textile pipeline awaits the reopening of retail to gauge any type of economic recovery at the retailers end.

Another concern I have was the inability by the National Auction Selling Committee to shorten the three week recess in July and early August to minimise a build-up of wool stocks for the reopening sale. The tradition of this recess is a hangover from the days when European clients would be visited in their summer holiday period. Today 75% of Australia's early stage wool processing happens in China and now with border lockdowns prohibiting most international travel the recess takes on a lesser urgency, for at least this year. Moses & Son will be offering online sales over this period for our clients to minimise the waiting time for proceeds and to avoid a possible price fall in the opening sale in August.

Region	Centre	27/05/2020	20/05/2020	Variance	Bales Offered	Bales Sold	Pass-in%	Next Sale Offering
Northern	Sydney	1,212	1,193	19	5,429	5,216	3.9%	7,184
Southern	Melbourne	1,143	1,132	11	9,270	8,430	9.1%	9,952
Western	Fremantle	1,239	1,214	25	4,129	3,697	10.5%	0
National	AWEX EMI	1,170	1,155	15	18,828	17,343	7.9%	17,136

Moses & Son Top Price Report							
Description	District	Micron	VMB	Yield	SL	SS	Price
AAA M WNS	Ariah Park	15.9	0.5	54.4	70	35	995
M W PCS	Ariah Park	15.3	0.9	52.8	68	33	979
AAA M WNS	Ariah Park	16.2	0.6	55.0	73	31	961
AAA M WNS	Ariah Park	15.5	0.3	52.7	69	25	952
M PCS	Barmedman	15.5	2.0	52.2	71	29	943

Wednesday, May 20, 2020			Last (5 yr)					Last (7 yr)					Last (10 yr)**					
Indicator	CMJ	12mth Ago	High	Low	Avg	Days Q'ted	Days below CMJ	Price Pos'n	High	Avg	Days Q'ted	Days below CMJ	Price Pos'n	High	Avg	Days Q'ted	Days below CMJ	Price Pos'n
EIND	1,155	22-May-19 1,841	2,116	1,155	1,559	505	0	0.0%	2,116	1,418	712	200	28.1%	2,116	1,322	1,039	384	37.0%
RIND	1,193	22-May-19 1,880	2,163	1,193	1,611	449	0	0.0%	2,163	1,461	631	176	27.9%	2,163	1,365	916	336	36.7%
165	1,733	22-May-19 2,420	3,187	1,460	2,148	416	132	31.7%	3,187	1,923	590	306	51.9%	3,187	1,882	788	421	53.4%
17	1,625	22-May-19 2,388	3,008	1,419	2,109	446	127	28.5%	3,008	1,882	628	309	49.2%	3,008	1,822	903	456	50.5%
175	1,535	22-May-19 2,365	2,845	1,407	2,051	449	70	15.6%	2,845	1,834	631	252	39.9%	2,845	1,762	913	400	43.8%
18	1,473	22-May-19 2,327	2,708	1,401	1,984	449	39	8.7%	2,708	1,779	631	221	35.0%	2,708	1,699	916	370	40.4%
185	1,403	22-May-19 2,254	2,591	1,358	1,910	449	15	3.3%	2,591	1,718	631	192	30.4%	2,591	1,631	916	336	36.7%
19	1,339	22-May-19 2,174	2,465	1,286	1,832	449	7	1.6%	2,465	1,654	631	184	29.2%	2,465	1,561	916	332	36.2%
195	1,294	22-May-19 2,156	2,404	1,249	1,779	449	7	1.6%	2,404	1,610	631	181	28.7%	2,404	1,507	916	327	35.7%
20	1,278	22-May-19 2,149	2,391	1,229	1,735	449	8	1.8%	2,391	1,575	631	183	29.0%	2,391	1,464	914	348	38.1%
21	1,255	22-May-19 2,129	2,368	1,216	1,681	428	5	1.2%	2,368	1,529	610	172	28.2%	2,368	1,423	887	337	38.0%
22	2,259		2,328	1,054	1,366	265	262	98.9%	2,328	1,316	587	584	99.5%	2,328	1,191	862	859	99.7%
23	2,278		2,278	1,081	1,278	67	66	98.5%	2,278	1,214	235	234	99.6%	2,278	1,049	485	484	99.8%
24	2,100		2,100	1,027	1,287	12	11	91.7%	2,100	1,166	34	33	97.1%	2,100	849	180	179	99.4%
25	1,666		1,801	825	1,164	205	196	95.6%	1,801	1,143	271	262	96.7%	1,801	1,061	335	326	97.3%
26	770	22-May-19 1,415	1,545	770	1,145	391	0	0.0%	1,545	1,046	563	32	5.7%	1,545	978	737	114	15.5%
28	580	22-May-19 1,135	1,318	580	855	431	0	0.0%	1,318	809	612	0	0.0%	1,318	743	887	87	9.8%
30	690	3-Jul-19 799	995	514	678	333	190	57.1%	995	666	526	343	65.2%	995	622	802	619	77.2%
32	430	22-Jan-20 430	762	371	566	208	47	22.0%	762	559	391	47	12.0%	762	523	639	136	21.3%
MC	823	22-May-19 1,019	1,563	784	1,157	448	6	1.3%	1,563	1,063	629	119	18.9%	1,563	945	914	398	43.5%