

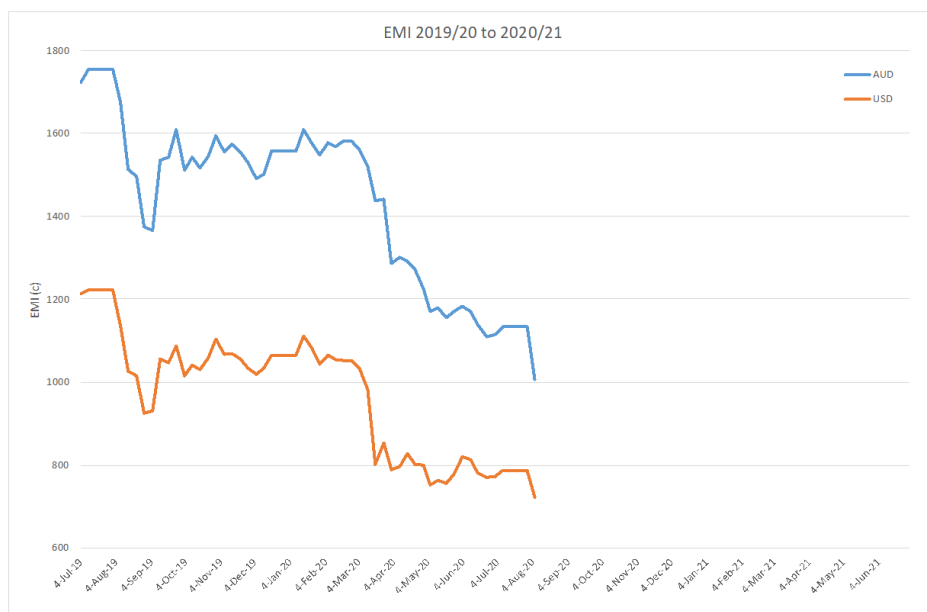


MOSES & SON

WOOLBROKERS MERCHANDISE LIVESTOCK

Week S06:

The AWEX EMI closed the week on 1006c down 128c at auction sales in Australia. Sales resumed after the three week recess with the opening sale revealing the sensitivity if the rising AUD, the inability of the market to consume a sale over 40,000 bales, the impact of China being the only country still buying wool and the growing fear that the world is slipping into a second stage of COVID 19 restrictions. From the 42,764 bales offered 30.1% was passed in, after 5000 bales were withdrawn before the sale commenced. The market intelligence going into last week



was for a market 50-70c cheaper based on last week's electronic sales, however exporters entered the room with little or no confidence that that price idea could maintain and obviously severely reduced prices and quantity to purchase.

Merino fleece saw reductions of 110-145c on the opening day in the northern region, a shocking result on top of a year of price pain. Wednesday saw a slowing of the price reductions as the Merino MPG's closed down 147-164c in the northern markets and 150-210 in the Southern markets. The -11.3% weekly fall was the largest percentage movement since 1991 the darkest week in the wool market on record.

Merino skirtings saw a similar response to the fleece as buyers let the market fall to the new support level.

Crossbreds suffered falls of 35-80c which were similar losses to the merino fleece in percentage terms.

Merino Cardings saw falls in the Northern Region of 85c whilst the southern MC dropped 99c and the Western MC fell a whopping 151c or -17%.

MPG North	Percentile	5/08/2020	8/07/2020	Variance	5 Year Average	5 year var	5 year % var
17	34.0%	1,478	1,638	-160	2,109	-631	-29.9%
18	15.9%	1,272	1,428	-156	1,981	-709	-35.8%
19	2.5%	1,126	1,279	-153	1,827	-701	-38.4%
20	1.9%	1,083	1,229	-146	1,731	-648	-37.4%
21	2.4%	1,081	1,228	-147	1,693	-612	-36.1%
22	2.8%	1,060	1,240	-180	1,657	-597	-36.0%
30	3.9%	440	470	-30	683	-243	-35.6%
EMI	17.0%	1,006	1,134	-128	1,562	-556	-35.6%

The latest figures for Wool Exports in June 2020 indicate that 92% of wool exported from Australia was for China. This up 19% year on year, as India and Italy reduce their wool purchasing substantially as the worldwide impact of COVID worsens. One may say that the presence of China in the market is a negative one but I look at it with the view that without China purchasing our product we would not have the choice to make the sales we are.

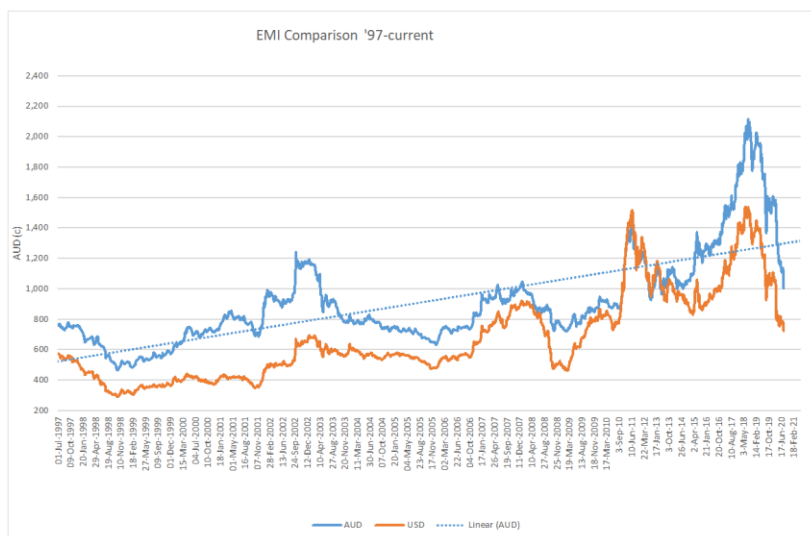


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Next week the offerings fall back to 33,413 bales and after this week's overreaction from the exporters I would not be surprised if we see some price support return to the market place. Meanwhile the inventory of unsold wool continues to grow in Brokers stores and in wool producers sheds on farm.

- **Marty Moses**



Region	Centre	5/08/2020	8/07/2020	Variance	Bales Offered	Bales Sold	Pass-in%	Next Sale Offering
Northern	Sydney	1,044	1,175	-131	14,505	11,002	24.2%	9,270
Southern	Melbourne	981	1,108	-127	20,072	14,914	25.7%	18,647
Western	Fremantle	1,055	1,202	-147	8,187	3,995	51.2%	5,496
National	AWEX EMI	1,006	1,134	-128	42,764	29,911	30.1%	33,413

Moses & Son Top Price Report							
Description	District	Micron	VMB	Yield	SL	SS	Price
AAA M	Lockhart	16.4	0.5	58.6	96	34	936
AAA M	Illabo	16.7	0.5	60.9	88	24	933
AAA M	Illabo	16.8	0.3	62.8	90	16	922
AAA M	Lockhart	16.6	0.4	59.5	95	32	912
AAA M	Tarcutta	17.6	1.0	67.0	68	21	902