



MOSES & SON

WOOLBROKERS MERCHANDISE LIVESTOCK

Week S10:

The AWEX EMI closed on 858c, down 71c at auction sales in Australia this week. 29,000 bales went under hammer after 11.5% was withdrawn before sale. A creditable 78.5% of the offering was sold, largely unaffected by the magnitude of the individual MPG falls.

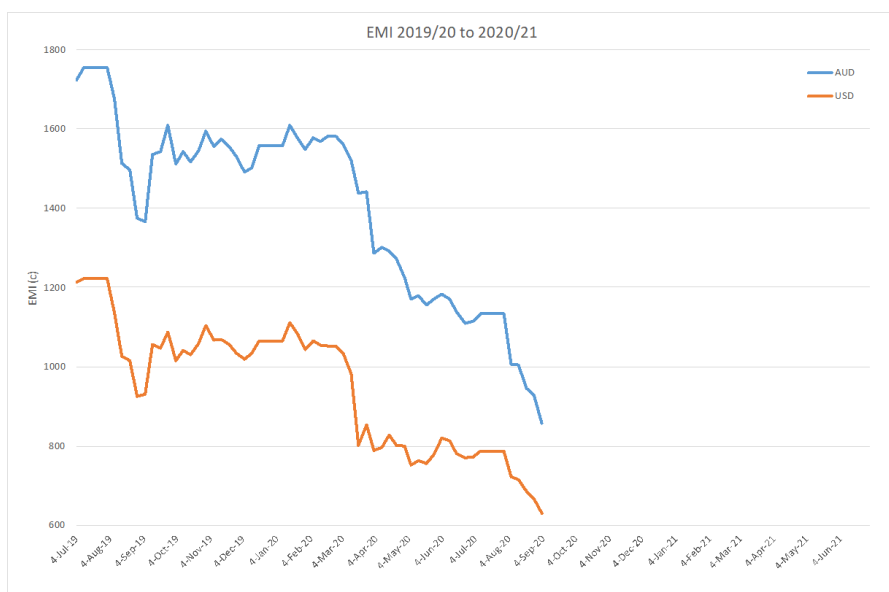
Merino fleece continued its freefall on Tuesday as the continued lack of demand, set a new low level for most fleece types. The velocity of the price falls slowed somewhat on Wednesday with price losses approximately ½ of the previous day in the eastern selling centres. Conversely the 19 and 19.5 MPG's adding 11 and 4c respectively on the final day in Fremantle, maybe a better signal of what is to come next week.

Merino Skirtings came under pressure on both selling days as the fleece prices were cheapening by the lot. Skirts with Heavy VM, cotted, coloured or containing jowls were heavily discounted.

Crossbreds prices continued to slide and unless the clips offered were well classed and skirted the completion was virtually non-existent.

Merino Cardings were not exempt from the negative market on Tuesday, however FNF and Low VM Locks and Crutching types were able to add a few cents on Wednesday. Stains are still irregular especially the coarser and heavy VM types.

Crossbred cardings are at record low prices and some stain and dag types are past the point that they will not cover the selling costs.



MPG North	Percentile	2/09/2020	26/08/2020	Variance	5 Year Average	5 year var	5 year % var
17	23.2%	1,382	1,448	-66	2,109	-727	-34.5%
18	1.6%	1,172	1,249	-77	1,981	-809	-40.9%
19	0.0%	995	1,085	-90	1,827	-832	-45.5%
20	0.0%	910	991	-81	1,731	-821	-47.4%
21	0.0%	898	976	-78	1,693	-795	-47.0%
22	0.0%	860	950	-90	1,657	-797	-48.1%
30	0.0%	320	365	-45	683	-363	-53.2%
EMI	0.0%	858	929	-71	1,562	-704	-45.1%

One point of observation in recent times is the willingness of wool producers to accept this low market level. Meaning those producers who are committed to offer their clips are generally motivated sellers. There is an awareness across the pipeline that whenever any sort of recovery is triggered the mountain of held stocks of unsold wool in Brokers stores and Producers on-farm storage will elevate the weekly offerings for some time



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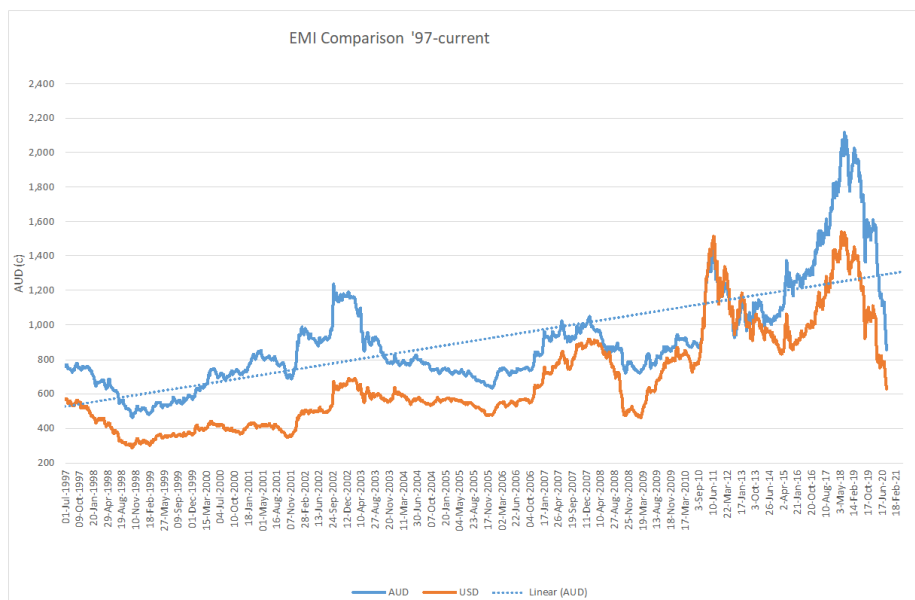
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to come. Keeping in mind there are stocks post scouring and top-making that are long overdue to be moved. There is no doubt we are temporarily experiencing dire times for the wool industry. Whilst the crystal ball is very cloudy one hopes that progress in developing and validating a vaccine for COVID-19 is a bit closer. Whilst China is the dominant purchaser for Australia's wool clip, Europe have begun purchasing miniscule quantities of some specialty types but not enough quantity to halt the crashing prices. India is still absent from the auction rooms which is having a substantial impact in the coarser merinos

Region	Centre	2/09/2020	26/08/2020	Variance	Bales Offered	Bales Sold	Pass-in%	Next Sale Offering
Northern	Sydney	919	982	-63	7,085	5,587	21.1%	5,458
Southern	Melbourne	819	895	-76	12,889	10,698	17.0%	12,351
Western	Fremantle	895	989	-94	7,181	5,264	26.7%	5,311
National	AWEX EMI	858	929	-71	28,999	22,765	21.5%	23,120

Next week sale quantities drop back to 23,120 bales as Sydney and (at the risk of being wrong once again) I feel that their maybe be some short term support around these current prices before the market faces more challenges for forming a price basis.

- Marty Moses



Moses & Son Top Price Report

Description	District	Micron	VMB	Yield	SL	SS	Price
AAA M	Grenfell	16.1	0.2	68.2	89	30	1070
AAAA M	Grenfell	16.6	0.2	69.2	89	33	1014
AAA M	Lockhart	17.0	0.2	63.2	73	44	872
M PCS	Grenfell	15.9	0.5	59.6	80	31	859
AAA M	Grenfell	18.0	0.1	70.1	78	26	804