



MOSES & SON

WOOLBROKERS MERCHANDISE LIVESTOCK

Week S12:

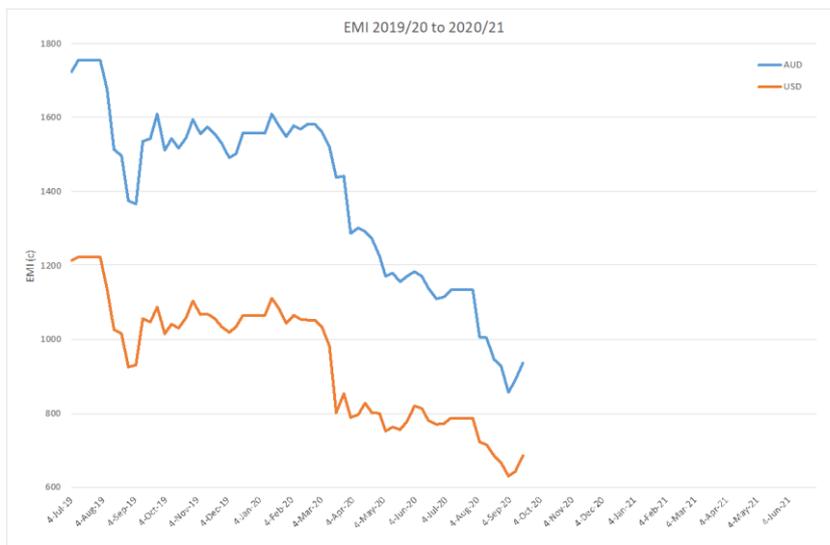
The AWEX EMI closed on 937c up 47c at auction sales in Australia this week. 94.1% of the 29,408 bale offering cleared to trade depicting the upward price trend was firmly entrenched as a possible positive trend was being formed.

Merino Fleece: Whilst somewhat unexpected, the auctions opened immediately in positive price territory. It was if someone had simultaneously flicked the “buy at all cost switch” for the exporters. Solid rises were between 30c and 117c saw the merino fleece lead the way for all MPG’s to close the week in positive territory. As the market closed in the eastern states, Western Australian wool sales continued to add price gains to all MPG’s setting the market tone for next week’s offering.

Merino Skirtings: Followed the fleece experiencing price increases between 40 - 60c, especially the well measured FNF skirts.

Crossbred: Did not disappoint, as they also added 10 and 55c especially in the sub 28 μ MPG’s

Merino Cardings: Locks Crutchings and Stains attracted keen demand averaging rises of 30c in the MC across Australia. There was also some sign of life evident into the **crossbred cardings** with more interest in purchasing the lower style extremely cheap lots if growers were interested in liquidating these at historic low base.



MPG North	Percentile	16/09/2020	9/09/2020	Variance	5 Year Average	5 year var	5 year % var
17	34.2%	1,474	1,420	54	2,109	-635	-30.1%
18	18.5%	1,279	1,207	72	1,981	-702	-35.5%
19	1.5%	1,096	1,045	51	1,827	-731	-40.0%
20	0.7%	994	949	45	1,731	-737	-42.6%
21	0.5%	956	926	30	1,693	-737	-43.5%
22	0.5%	940	900	40	1,657	-717	-43.3%
30	0.5%	380	385	-5	683	-303	-44.4%
EMI	13.3%	937	890	47	1,562	-625	-40.0%

After the solid rises this week on top of last week’s consolidation of prices it seems we have a short term positive trend on our hands. Exporters have reported good sale for price and quantity after the close of the Auction. The Wool Market is expected continue to rise short term 2-3 weeks before it is predicted there may be a pause in the demand for higher price wool. This early in it is dangerous to try and predict how long the positive trend will last.

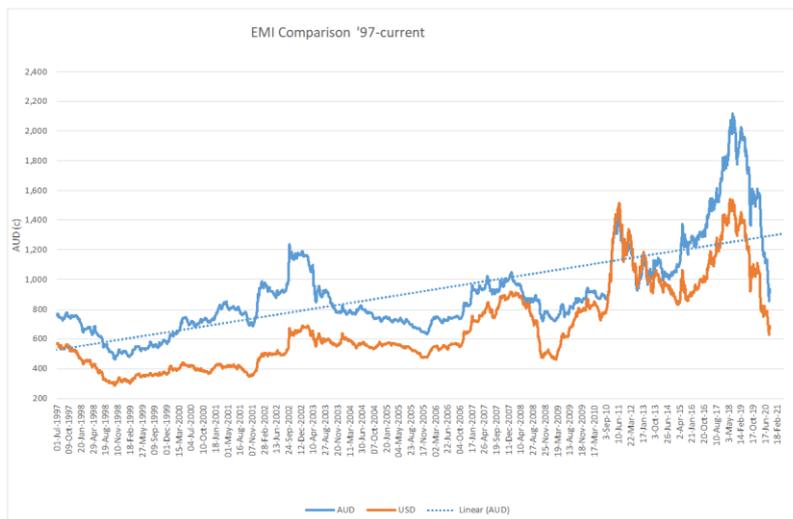


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On investigations the catalysts for the turnaround are:

- Wools is historically cheap in AUD and more so USD
- Tops are slowly starting to move through the processing pipeline around the world, which includes the clearance of older higher price stocks, despite there being some horror stories regarding wool being held up in contractual disputes between Australian Exporters and Processors.
- Whilst Knitwear sales are positive the worsted market is still very ill. The autumn cooling in the Northern hemisphere is starting to drive knitwear sales but with uncertainty of a return to normal working conditions keeping the traditional purchasing of the merino worsted sector
- It seems that the current trend is seasonally reliable



Next week the offering reduces to 25,030 bales which may play in favour of the current trend of the EMI moving towards the 1000c mark from a recent low of 858c.

~ Marty Moses

Region	Centre	16/09/2020	9/09/2020	Variance	Bales Offered	Bales Sold	Pass-in%	Next Sale Offering
Northern	Sydney	993	955	38	8,376	7,870	6.0%	7,652
Southern	Melbourne	902	848	54	13,467	12,682	5.8%	12,795
Western	Fremantle	984	922	62	4,369	4,150	5.0%	4,583
National	AWEX EMI	937	890	47	29,408	27,661	5.9%	25,030

Moses & Son Top Price Report							
Description	District	Micron	VMB	Yield	SL	SS	Price
AAA M	Ariah Park	17.1	1.1	67.3	83	28	964
AAA M	Grenfell	16.5	0.3	62.6	96	30	962
AAA M	Grenfell	16.6	0.3	63.1	104	29	953
AAA M	Carcoar	17.7	0.1	71.8	58	46	910
AAA M	Carcoar	17.9	0.1	71.2	54	52	870