

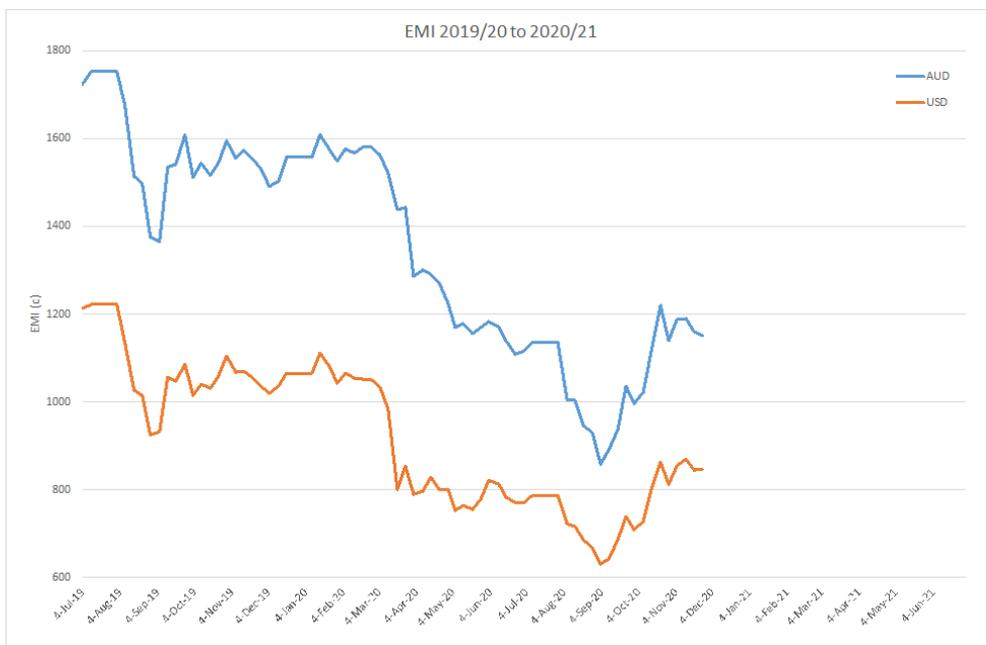


MOSES & SON

WOOLBROKERS MERCHANDISE LIVESTOCK

Week S22:

The AWEX EMI closed on 1150c - down 9c at auction sales in Australia this week. 12.1% of the 36,535 bale offering was passed in with the pass in rate for crossbred wool over 25% in the eastern state centres and 42% of the (substantially smaller) Western Australian Crossbred offering. A strengthening currency exchange (AUD-USD) was probably the key factor in the 9c reduction in the EMI as the EMI in US\$ terms was +2c for the week, signalling some stability after many weeks of wildly fluctuating daily market results.



Merino Fleeces: This week's Northern region was a designated superfine sale series which revealed good competition on the superior and choice style sub 18 μ lots on offer which increased up to 40c for the week. Support was widespread across the MPG range with processors, indent and trading export interest for China strengthening as the week progressed. Style in addition to great clip preparation premiums were noticeable as well as the usual premium for clips participating in Integrity Schemes.

Merino Skirtings followed the fleece generally in a sideways pattern for the 18-21 μ MPG's and slightly dearer for the sub 18 μ MPG's. Another pattern that emerged was new demand for the shorter end of the combing merino skirtings which I expect are destined for the Chinese domestic knitwear sector.

Crossbreds experienced a substantial price meltdown as the reduced support for 27-29 μ resulted in price falls of around 70c with the 30 μ and coarser measuring falls between 15-40c. Exporters are unable to match the increasing supply of crossbred wool with processor demand and there are reports of substantial old XB stock remaining in China at much higher prices. Some more pain is imminent in this sector.

Merino Cardings experienced a mixed reaction across the three selling centres with the Northern Region MCI increasing by 30c, Southern Region MCI -22 and Western Region MCI -1. Keen focus was in the finer micron oddments and lambs with low VM and good colour.

Crossbred Oddments continue to retain a pulse off a very low price base albeit a weak one.

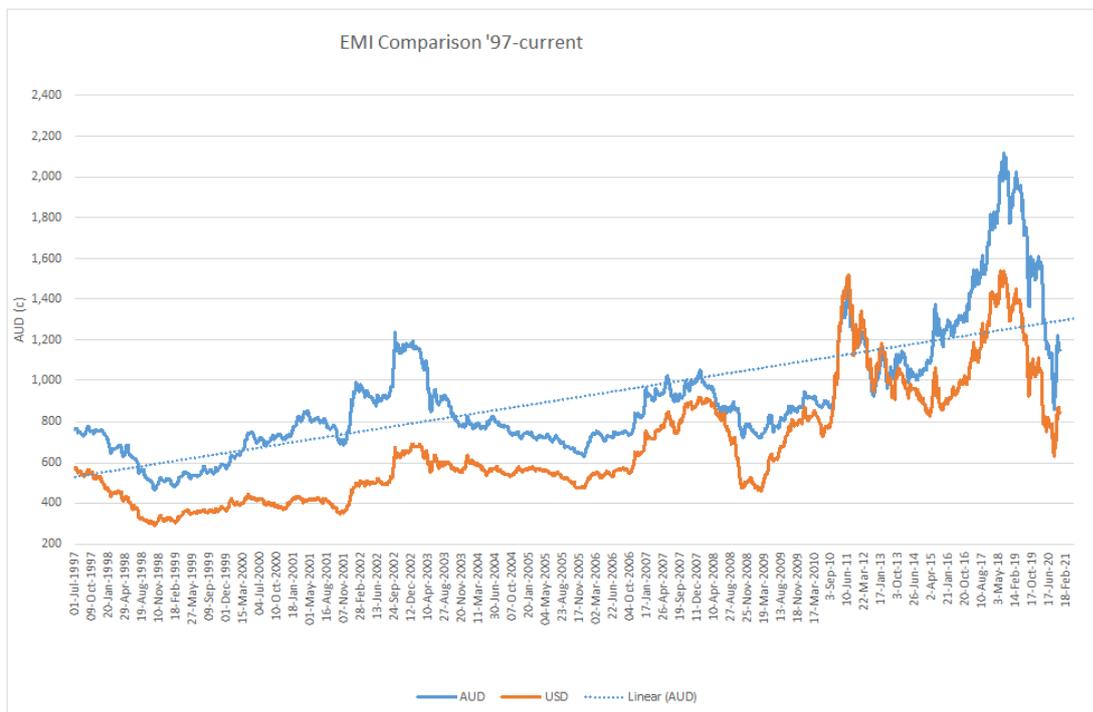
MPG North	Percentile	25/11/2020	18/11/2020	Variance	5 Year Average	5 year var	5 year % var
17	62.9%	1,844	1,806	38	2,109	-265	-12.6%
18	55.4%	1,560	1,570	-10	1,981	-421	-21.3%
19	39.3%	1,377	1,386	-9	1,827	-450	-24.6%
20	29.3%	1,234	1,229	5	1,731	-497	-28.7%
21	22.6%	1,178	1,188	-10	1,693	-515	-30.4%
22	20.8%	1,155	1,165	-10	1,657	-502	-30.3%
30	0.5%	380	425	-45	683	-303	-44.4%
EMI	42.7%	1,150	1,159	-9	1,562	-412	-26.4%



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Next week's offering is estimated at 41,822 bales as we approach the final three December sales before the Christmas Holiday recess. The recent taming of the weekly and daily price volatility may ensure a healthier market environment for buyers and sellers. With the YTD sales within 5% of last year, the offerings within 2%, and sale clearances at 85%, it spells out substantial



improvement in seller acceptance of the current price levels. It is hard to see improvement in the price levels until all of our traditional market players from Italy and India are receiving positive market signals from retail. It seems that the situation worsens in the Northern hemisphere as they are heading into their winter with escalating COVID-19 infections and deaths. There has been positive news of several COVID 19 vaccines approaching release to market in the upcoming months which has ignited the world market indices over the past week however it may take a while to convert to more \$ in wool producers pockets. ~ **Marty Moses**

Region	Centre	25/11/2020	18/01/2020	Variance	Bales Offered	Bales Sold	Pass-in%	Next Sale Offering
Northern	Sydney	1,209	1,214	-5	10,127	9,161	9.5%	10,088
Southern	Melbourne	1,113	1,125	-12	19,874	17,435	12.3%	23,850
Western	Fremantle	1,200	1,212	-12	6,534	5,530	15.4%	7,884
National	AWEX EMI	1,150	1,159	-9	36,535	32,126	12.1%	41,822

Moses & Son Top Price Report							
Description	District	Micron	VMB	Yield	SL	SS	Price
AAA M WNS	West Wyalong	17.8	2.8	65.2	66	47	1055
AAAA M	Cootamundra	17.9	0.2	66.5	114	29	1011
AAAA M	Cootamundra	18.6	0.4	70.4	89	40	1008
AAA M	Illabo	18.8	0.4	71.7	89	26	1007
AAAA M	Cootamundra	18.6	0.4	69.9	94	40	1004