



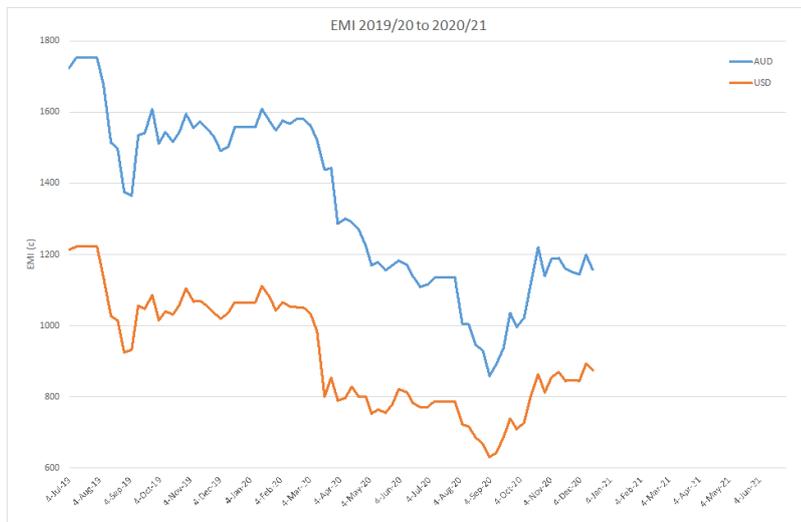
MOSES & SON

WOOLBROKERS MERCHANDISE LIVESTOCK

Week S25

In the last sale week for 2020 the AWEX EMI closed on 1157c down 41c at auction sales in Australia. The fall in the EMI was the first time a fall has been recorded in a pre-Christmas sale since 2013, demonstrating the impact COVID 19 has had on the wool pipeline. Other negative impacts on the market came from a rising currency exchange with AUD at 75.5c up 1.09%.

44,835 went under the hammer with a clearance of just 81.7% reflecting the expectations of the sellers in the current environment. Crossbreds passed in 15-20% of the national offering however it was the merino fleece that featured heavily on the passed in statistics with Sydney passing 13%, Melbourne passing 18.2% and Fremantle the clear winner, with a pass in rate of 31.8%.



Merino Fleece opened weaker instantly on Tuesday but experienced some levels of support as the day progressed. With a 27c fall in the EMI on the opening day many anticipated a partial recovery for the closing sale day for 2020, as this would have allowed exporters to sell into 2021 at current levels. Unfortunately when the market opened on Wednesday some exporters were noticeably absent from the bidding and the market fell to the indent backstop with the EMI giving up another 14c. The 16-17.5µ MPG fell 15.32c whilst the 18 and coarser fell 45-59c (Northern Region).

Merino Skirtings fared slightly better than the fleece counterparts and Wednesday closed firmer in the Northern and Western regions with pass in rates of 8% compared to the Southern markets which lost ground on price over both days and passed in 12%.

Crossbreds as noted above passed in between 15-20% of the national offering with the 26-28 MPG's giving up 30-40c whilst the 29-32 MPG's dropped 25c in price for the week. The real weakness is in the composite wools containing kemp which have little or no demand.

Merino Cardings held their ground with rises averaging 12c across the three centres with best style and prepared crutchings and stains very keenly sought after.

Crossbred Oddments continued to be largely unsupported by the trade and represented a large proportion of the passed in lots.

MPG North	Percentile 10 Year	16/12/2020	9/12/2020	Variance	5 Year Average	5 year var	5 year % var
17	63.9%	1,871	1,903	-32	2,034	-163	-8.0%
18	57.0%	1,578	1,623	-45	1,890	-312	-16.5%
19	41.5%	1,390	1,442	-52	1,731	-341	-19.7%
20	32.0%	1,249	1,300	-51	1,633	-384	-23.5%
21	23.5%	1,180	1,230	-50	1,596	-416	-26.0%
22	20.8%	1,150	1,190	-40	1,561	-411	-26.3%
30	0.5%	364	390	-26	639	-275	-43.1%
EMI	48.8%	1,157	1,198	-41	1,562	-405	-25.9%



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Region	Centre	16/12/2020	9/12/2020	Variance	Bales Offered	Bales Sold	Pass-in%	Next Sale Offering
Northern	Sydney	1,218	1,257	-39	10,674	9,419	11.8%	Recess
Southern	Melbourne	1,119	1,161	-42	24,132	19,650	18.6%	Recess
Western	Fremantle	1,198	1,244	-46	10,029	7,540	24.8%	Recess
National	AWEX EMI	1,157	1,198	-41	44,835	36,609	18.3%	Recess

The Australian Wool Production Forecasting Committee (AWPFC) has updated its forecast of shorn wool production for the 2020/21 season. This third forecast is for production of 287 million kilograms (mkg) greasy, a 1.1% increase on the 2019/20 estimated shorn wool production of 284 mkg greasy. It is an upward revision from the Committee's August forecast of 279 mkg.

Auction sales enter into the traditional 3-week Xmas holiday recess, with sales re-opening on the 12th January 2021. Traditionally the first sale in January has proven to be price positive with rises over the past 5 years averaging 48.2c however one thing we have learned since March 2020 is that history seems to have little or no impact on our wool market. Unfortunately I feel the weaker market close may see a weaker opening for January.

The Moses & Son Staff and Management wish our valued clients, their families and all subscribers to our market reports a very enjoyable and safe Christmas and a Happy New Year. Despite the extremely trying conditions in the wool market our season was extremely kind for grazing and cropping enterprises we service. With a replenished stock of hay and grain on farm the outlook is definitely more positive and there is no doubt that we are fortunate to be in the agricultural sector where every day presents new opportunities. Many thanks for supporting us throughout 2020 and we look forward to better times ahead. Merry X-Mass ~

Marty Moses