

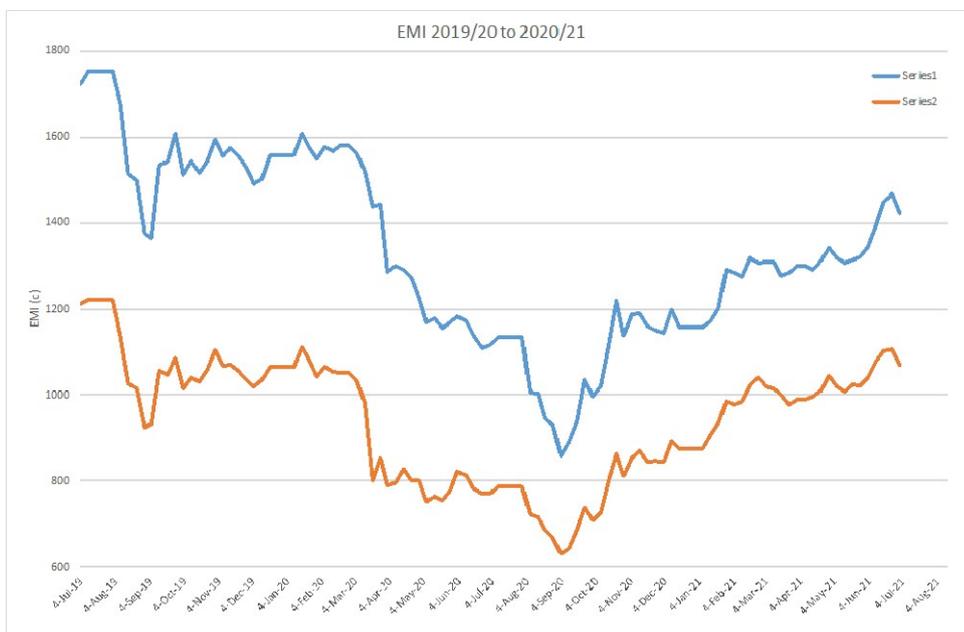


MOSES & SON

WOOLBROKERS MERCHANDISE LIVESTOCK

Week S53:

The AWEX EMI closed on 1,423c, down 45c at auction sales in Australia this week. With Fremantle joining the Eastern selling centres the offering inched up to 42,847 bales this week. However, the news of next week's monster bale offering of 54,982 bales tempered the aggressive demand we have seen over the past 7 weeks which added 168c or 12.4% before this week's price correction.



The sellers quickly demonstrated their resistance to the downward market trend with 21.6% of the weekly offering being passed in. The COVID 19 restrictions reverted to broker and buyer staff only allowed to attend auction sales in all centres.

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MPG North	Percentile 10y	30/06/2021	23/06/2021	Variance	5 Year Average	5 year var	5 year % var
17	89.3%	2,545	2,623	-78	2,085	460	22.1%
18	79.0%	2,143	2,203	-60	1,930	213	11.0%
19	69.0%	1,738	1,820	-82	1,762	-24	-1.4%
20	60.6%	1,438	1,510	-72	1,653	-215	-13.0%
21	43.9%	1,302	1,380	-78	1,610	-308	-19.2%
22	43.0%	1,260	1,330	-70	1,575	-315	-20.0%
30	6.0%	410	420	-10	637	-227	-35.7%
EMI	72.8%	1,423	1,468	-45	1,538	-115	-7.5%

Merino Fleece saw general price falls from 54c-82c in the Northern region and up to 93c in the Southern centre, as buyers became more selective as to what they pursued in the sale room (in anticipation of the increase offering for next week). The best style and specified lots were least affected especially NM lots registered in Integrity schemes.

The Southern 17 μ MPG closed on 2578 and 21 μ MPG's closed on 1289c. The price basis achieved a 100% 1289c premium which may be the first time this has happened since records have been kept.

Merino Skirtings followed the fleece with the finer, best style and specified lots attracting keen competition, whilst buyers waded selectively through the average style, high VM and low yielding lots.

Crossbreds experienced a moderate price adjustment in relation to the Merino result. The 26 μ and 32 μ MPGs held within 3c of last week, whilst the 28 μ and 30 μ MPGs fell 10-20c.



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Merino Cardings were detached from the Combing wool price adjustment levels. The result of 13c cheaper in the Northern Region and 4c dearer in the Southern Region highlights the demand remains relatively strong for this sector.

Crossbred Oddments finer than 24µ remained solid whilst the coarser crossbred oddments continued to struggle.

Region	Centre	30/06/2021	23/06/2021	Variance	Bales Offered	Bales Sold	Pass-in%	Next Sale Offering
Northern	Sydney	1,522	1,564	-42	10,652	9,205	13.6%	16,832
Southern	Melbourne	1,361	1,407	-46	20,904	16,199	22.5%	25,594
Western	Fremantle	1,440	NO SALE	-37	11,291	8,178	27.6%	12,556
National	AWEX EMI	1,423	1,468	-45	42,847	33,582	21.6%	54,982

Despite the market closing 2021 EOFY on a negative, I could only describe the way the past 6 months has unfolded for the merino sector as extremely positive. The EMI opened this season at 1,110 cents and then added a total of 313c for the year closing this week on 1423c, up 28.1%.

In USD terms, the EMI increased by 299 USc in the 2020/21 season, up 38.7% on 2019/20. The total value of wool sold through the auction system was \$2,246.72 million compared to the 19/20 season which realised \$1,972.74 million, this represents a 13.9% increase in \$ value.

The overall national passed in rate fell by 5.4% from 17% in 2019/20 to 11.6% in 2020/21. Year on year the Wool purchased and exported to China increase from 78% to 85% of the auction total sales. The Czech Republic was our 2nd biggest purchaser increasing from 3 to 4% YOY, whilst India purchased 3% in 2020/21 down from 5% in 2019/20. Similarly Italy's purchasing fell from 4% to 2% of the Australian Wool clip YOY.

Next week is the opening sale of the 2021/22 season and this sale is traditionally one of the larger sales on the program, possibly due to some producers wanting to sell into the new financial year. 54,982 bales are expected to be offered nationally and the early indications are that the offering should be well supported. However, I would expect that some producers may withdraw their clips after the fall in the merino prices this week. Depending on the number of bales that eventually get offered and cleared to the trade, I would suggest a firm market for the next few weeks to take us into the three week July recess. ~ **Marty Moses**

Moses & Son Top Price Report

Description	District	Micron	VMB	Yield	SL	SS	Price
AAA M WNS	The Rock	14.8	0.8	58.9	108	17	1980
AAA M	The Rock	14.6	1.0	56.1	81	28	1940
AAA M	Stockinbingal	16.3	1.5	62.5	84	28	1758
AAA M	Illabo	16.7	1.1	65.2	77	28	1720
AAA M	Illabo	19.1	1.0	68.2	83	31	1717