



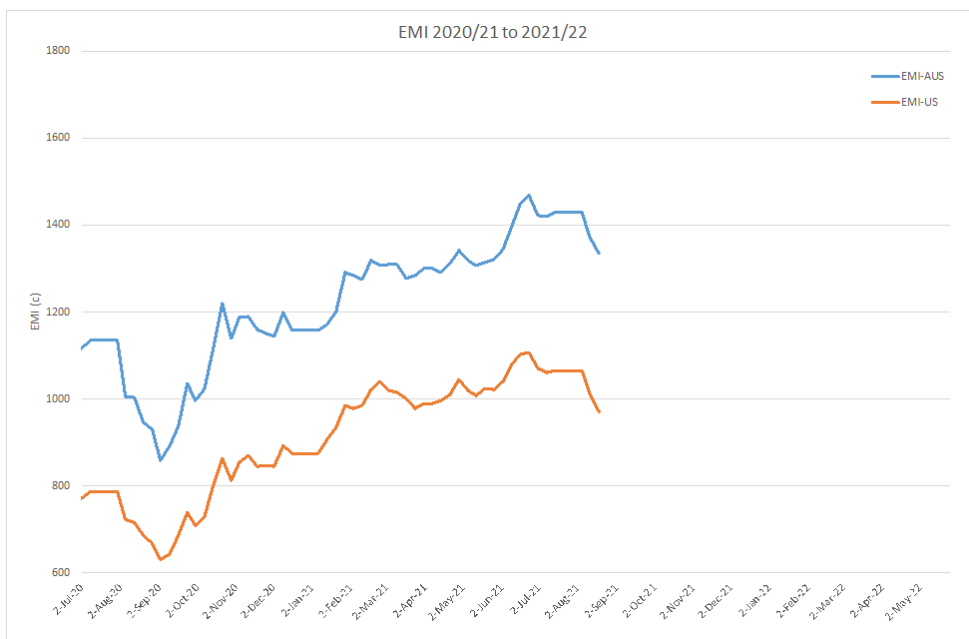
MOSES & SON

WOOLBROKERS MERCHANDISE LIVESTOCK

Week S07:

The AWEX EMI closed on 1335c – down 37c at Auction sales in Australia this week.

34,425 bales eventually went under the hammer, after the early estimates of 41,284 were eroded after last week's 56c fall in the EMI. Furthermore, only 71.5% of the offering was sold as Tuesday's EMI fall was 40c. On a positive note, Wednesday's market saw some consolidation of buyer support, resulting in a 3c rise in the EMI. The favourable AUD-



USD currency exchange did not influence the market, with Tuesday's lack of Export Traders in the market being balanced out by the Chinese indent buyers dominated the purchasing.

This week saw the emergence of some significant Italian buying interest on the more stylish lots. After a 12-18 month pause in Italy's purchasing, this may be a significant signal. The past two weeks sales are a great demonstration of how the free market environment assists sellers in communicating their price idea, whilst exporters welcomed the reduction in bales offered, allowing them to manage the impact of the lack of forward business interest from their major markets.

The trade entered the week with the early Market Intelligence indicating another week or two of pain, and after the 40c drop in the EMI on Tuesday, the alarm bells were ringing loudly. Wednesday saw some support emerge at the previous day's levels, which could have possibly been the 40% national pass in rate and 18% withdrawn from the fleece.

| MPG North | Percentile 10y | 18/08/2021 | 12/08/2021 | Variance | 5 Year Average | 5 year var | 5 year % var |
|-----------|----------------|------------|------------|----------|----------------|------------|--------------|
| 17 | 80.6% | 2,394 | 2,454 | -60 | 2,245 | 149 | 6.6% |
| 18 | 70.7% | 2,006 | 2,039 | -33 | 2,028 | -22 | -1.1% |
| 19 | 62.9% | 1,654 | 1,698 | -44 | 1,813 | -159 | -8.8% |
| 20 | 46.8% | 1,352 | 1,377 | -25 | 1,659 | -307 | -18.5% |
| 21 | 37.0% | 1,253 | 1,303 | -50 | 1,603 | -350 | -21.8% |
| 22 | 33.5% | 1,210 | 1,260 | -50 | 1,562 | -352 | -22.5% |
| 30 | 4.0% | 390 | 403 | -13 | 577 | -187 | -32.4% |
| EMI | 67.3% | 1,335 | 1,372 | -37 | 1,538 | -203 | -13.2% |

Merino Fleece opened the week with price losses measured up to 50-60c on the 17 μ and finer fleece, -30c on the 17.5-18.5 μ and 45-50c on the 19, 19.5 and 21 MPG's. The 20 MPG seemed to get off lightly measuring a 25c fall. Wednesday saw some consolidation of this price level and in some cases slight price increases were measured. The heaviest hit sector was the 2.5-4% VM fleece which experienced the largest pass in rates over both days.



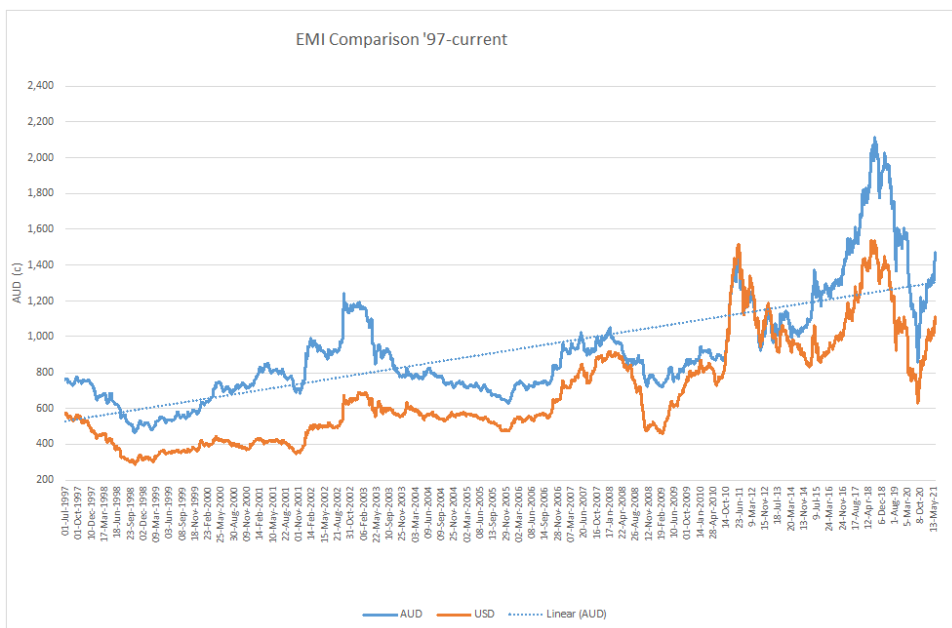
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Merino Skirtings fell in line with their fleece counterparts on Tuesday and as in the fleece, the heavy VM (5%-12%) took the largest hit. Consolidation of the levels emerged on Wednesday for the majority of the offering however the pass in rate and withdrawn lots masked the full force of the falls.

Crossbreds experienced falls of 10-20c across the board but with the 28 and 30 MPG at the 6th percentile band, the sellers who chose to offer seem to be accepting of the low price basis.

Merino Cardings fell on average 25c in the eastern selling centres whilst the Western MC held form for the week. Crossbred oddments remain at a historically low price basis and difficult to sell.



| Region | Centre | 18/08/2021 | 12/08/2021 | Variance | Bales Offered | Bales Sold | Pass-in% | Next Sale Offering |
|----------|-----------|------------|------------|----------|---------------|------------|----------|--------------------|
| Northern | Sydney | 1,428 | 1,463 | -35 | 11,386 | 7,982 | 29.9% | 13,537 |
| Southern | Melbourne | 1,277 | 1,314 | -37 | 16,764 | 13,354 | 20.3% | 18,806 |
| Western | Fremantle | 1,351 | 1,406 | -55 | 4,088 | 1,749 | 57.2% | - |
| National | AWEX EMI | 1,335 | 1,372 | -37 | 34,425 | 24,618 | 28.5% | 32,343 |

Next week the national offering falls to 32,337 bales with Fremantle refraining from offering. Reports of some Chinese business being transacted after Wednesday's market had closed, sparked some trading activity on passed in wools from the previous days. Whilst the August/September period has history of lacklustre demand, this year's price adjustment seemed to have a larger impact with August and September 2019-2020 fresh in our memory. Hopefully we can see the confidence in our merino markets rebuild soon. Crossbreds may take a little longer based on the current market intelligence at hand. ~ Marty Moses

Moses & Son Top Price Report

| Description | District | Micron | VMB | Yield | SL | SS | Price |
|-------------|-----------|--------|-----|-------|----|----|-------|
| AAA M WNS | Cumnock | 15.7 | 1.9 | 67.1 | 71 | 40 | 1800 |
| AAA M WNS | Cumnock | 16.2 | 0.8 | 68.1 | 73 | 32 | 1740 |
| AAA M WNS | Temora | 16.4 | 1.5 | 63.5 | 88 | 32 | 1631 |
| AAA M | June | 17.2 | 0.7 | 67.8 | 87 | 30 | 1551 |
| AAA M | Combaning | 17.8 | 0.7 | 74.2 | 61 | 44 | 1550 |