



MOSES & SON

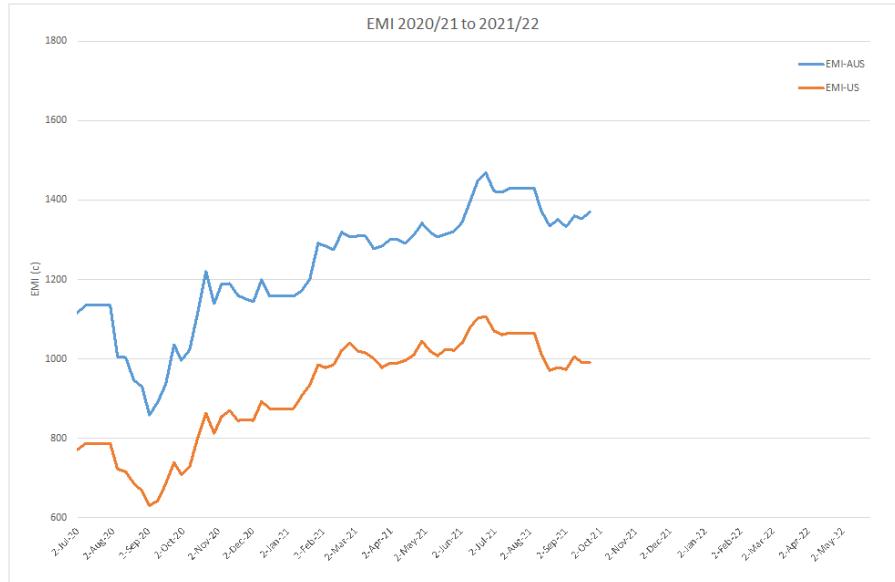
WOOLBROKERS MERCHANDISE LIVESTOCK

Week S12:

The AWEX EMI closed on 1368c - up 16c at auction sales in Australia this week.

From 35,745 bales offered, 90.7% were cleared to exporters after just 3.9% of the original offering was withdrawn before sale. The market opened on Tuesday into a favourable AUD exchange rate, sparking new interest evident from China, Europe, India and the US, which resulted in the EMI 17c higher for the day. Wednesday's market seemed more subdued in some categories with the EMI retracing by 1c. There were a couple of news stories of concern emerging this week. Firstly, the

debt ridden Evergrande group await the fate of Chinese governmental agencies decision to assist them meet their financial institution commitment shortfall. Whilst this news has had a worldwide flow-on effect, it reached out to financial markets in Australia with the share price of BHP suffering.



Merino Fleece measured rises between 15-35c on Tuesday with the Fine and Superfine MPG's showing more vigour from the local exporters. Competition on selected lots displaying good preparation specifications, declared as NM and in an integrity scheme at times saw price premiums of up to 8%. Wednesday saw the 16.5-18.5 μ MPG's add up to 5c whilst the 19-21 μ MPG's fell between 1 and 5c. Competition from Italy, India, Bulgaria and the US were more prominent competing with Chinese Indent buyers to create the support of the new price level on Wednesday.

Merino Skirtings followed the fleece trends with all styles and micron categories adding between 10-20c on Tuesday and held their ground on Wednesday.

Crossbred purchasing was selective with best prepared and specified lots holding firm as the poorly prepared, and lots displaying heavy VM were harder to sell. Wednesday saw the crossbred MPG's fall away slightly, making the weekly result 3-7c cheaper across the sector.

Merino Cardings were more measured in their price rise with the Eastern States MC's rising over both days to culminate in 21c and 26c rises in Sydney and Melbourne. Fremantle MC fell 10c over the week however it finished with a strong performance on Wednesday.

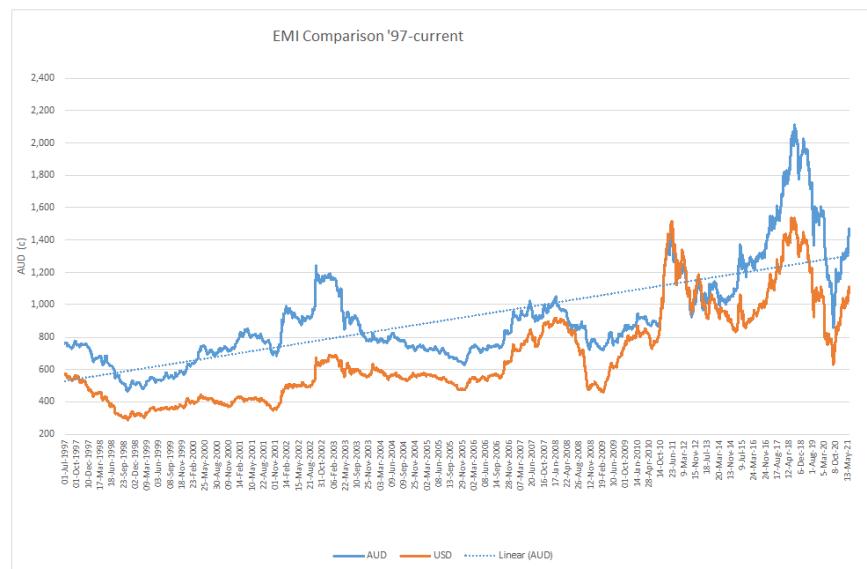
MPG North	Percentile 10y	22/09/2021	15/09/2021	Variance	5 Year Average	5 year var	5 year % var
17	81.5%	2,442	2,403	39	2,239	203	9.1%
18	71.6%	2,043	2,022	21	2,023	20	1.0%
19	63.7%	1,679	1,664	15	1,808	-129	-7.1%
20	48.0%	1,362	1,347	15	1,655	-293	-17.7%
21	43.3%	1,282	1,269	13	1,599	-317	-19.8%
22	39.0%	1,240	1,230	10	1,559	-319	-20.5%
30	0.5%	352	355	-3	574	-222	-38.7%
EMI	69.7%	1,368	1,352	16	1,538	-170	-11.1%



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Despite offering about 30% more wool in Australia year on year, there are emerging reports of a sharp increase in unsold, unallocated stocks in broker stores raising a few eyebrows in the trade. Whilst it would be reasonable to expect an increase in held stocks in the worst performing market sectors (for example 28-30 μ MPG's sit in the 1st percentile band), our analysis indicates that about 2/3 of held stocks are from the Merino combing and carding wool sector and surprisingly about ½ of this is finer than 19 μ . The motivation for wool being held is normally producers are confident for better price in the future, and with the COVID-19 pandemic management heading for the more freedom for people to move within countries as well as slowly restoring overseas travel, stimulating economies and retail sales, which may propel activities towards a Pre COVID-19 status. Unfortunately the XB sector has some major issues with stocks of product sitting around the globe. Australian XB's are recognised for their superior technical qualities and normally command a price premium however under the current situation requirements for crossbred, wool has been filled by poorer quality, low cost XB wool from other wool producing nations. The XB sector could be in for a long and slow recovery period.



Region	Centre	22/09/2021	15/09/2021	Variance	Bales Offered	Bales Sold	Pass-in%	Next Sale Offering
Northern	Sydney	1,454	1,441	13	11,112	9,977	10.2%	11,461
Southern	Melbourne	1,311	1,294	17	18,304	16,800	8.2%	22,552
Western	Fremantle	1,397	1,392	5	4,611	4,195	9.0%	7,549
National	AWEX EMI	1,368	1,352	16	35,745	32,405	9.3%	41,562

Next week there is 41,652 bales selling in Melbourne, Fremantle and Sydney with sales resuming on Wednesday. Remarkably, the sale rosters have been altered nationally to accommodate the Victorian Public holiday being held today for the AFL grand final being played in Perth on the weekend. Next weeks' early market intelligence indicates the competition for merino wool should continue to be supported at around the current levels, whilst the Crossbreds may continue to suffer. ~ Marty Moses

Moses & Son Top Price Report							
Description	District	Micron	VMB	Yield	SL	SS	Price
AAAA M	Reefton	17.6	0.5	70.1	67	49	1721
AAAA M	Quandialla	17.1	1.0	68.6	87	36	1640
AAAA M	Quandialla	17.1	1.1	67.5	62	42	1631
AAAA M	Quandialla	17.5	1.0	69.6	63	51	1561
M PCS	Quandialla	16.5	2.9	61.8	81	37	1430