



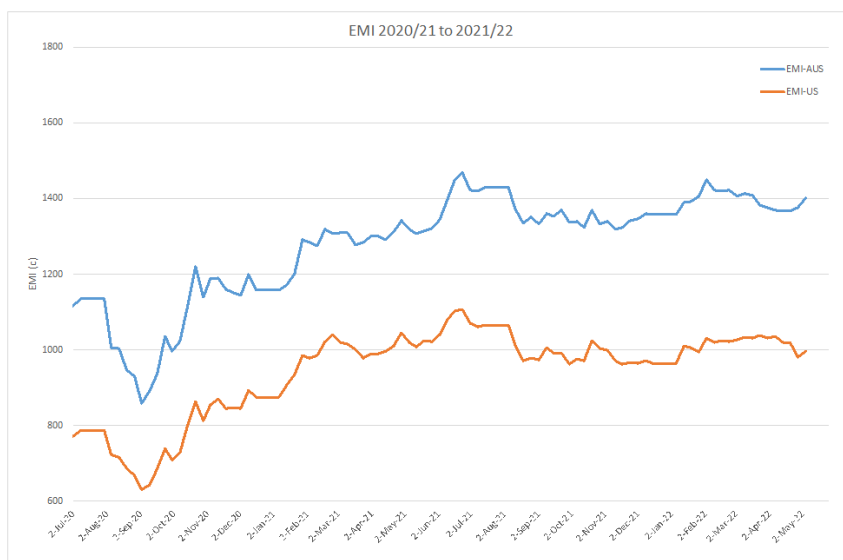
# MOSES & SON

WOOLBROKERS MERCHANDISE LIVESTOCK

## Week S44:

The AWEX EMI closed on 1401c up 24c - at auction sales in Australia this week.

After the EMI hovered between 1369 and 1377c in April, the sharp rise to above 1400c EMI is both encouraging and surprising in the face of the logistical and financial challenges. The positive movement in the EMI saw 94% of the 40,153 bale offering sold over the two day sales held in all centres. Currency Exchange was also favourable to our major export customers trading in USD, which has seen a 5.4% fall in the value in the AUD over the past 5 weeks which has also



softened the impact of the challenges in finance and logistics. Export activity was led by the large Australian traders who were pushed aggressively throughout the week by the Chinese indent buyers keen to keep continuity in their weekly purchase levels. With the “just in time” purchasing strategy suffering under the current logistic challenges, the wool processing pipeline faces the challenge of a move to “just in case” inventory management which puts further pressure on credit capacity and finance availability.

**Merino Fleeces** experienced good rises between 7c and 55c with noticeable premiums for best style superfine lots with best specifications. Just 27% of the fleece lots were Style 4 or better and 38% of the national offering was under 1.0% VM which is well below the YTD average of 49.8%. This is reflective in the elevated competition on these types and more noticeable in the superfine and ultrafine categories. Whilst discounts for inferior specified wools were evident, the financial impact was less than the past month.

**Merino Skirtings** also experienced great competition from the get go. 16-18 $\mu$  skirtings far exceeded price expectations whilst the 19-21 skirtings increasing moderately. This week’s skirting national pass in rates around 3.5%, well below the 11% YTD average.

MPG North	Percentile 10y	4/05/2022	28/04/2022	Variance	5 Year Average	5 year var	5 year % var
17	90.5%	2,631	2,624	7	2,250	381	17.0%
18	74.5%	2,109	2,097	12	2,027	82	4.0%
19	66.5%	1,723	1,684	39	1,807	-84	-4.6%
20	57.2%	1,426	1,388	38	1,657	-231	-13.9%
21	51.8%	1,331	1,302	29	1,603	-272	-17.0%
22	52.0%	1,310	1,260	50	1,565	-255	-16.3%
30	0.8%	325	325	0	568	-243	-42.8%
EMI	71.7%	1,401	1,377	24	1,538	-137	-8.9%

**Crossbreds** are still suffering from limited selection in the northern region and the makeup of the catalogues is dominated with low value, poorly prepared and specified lots making it more difficult to get an accurate read on this sector. Conversely, the southern region offering has volume, so the 5-7c rise was mainly attributed to the Currency Exchange rate rather than increased demand.

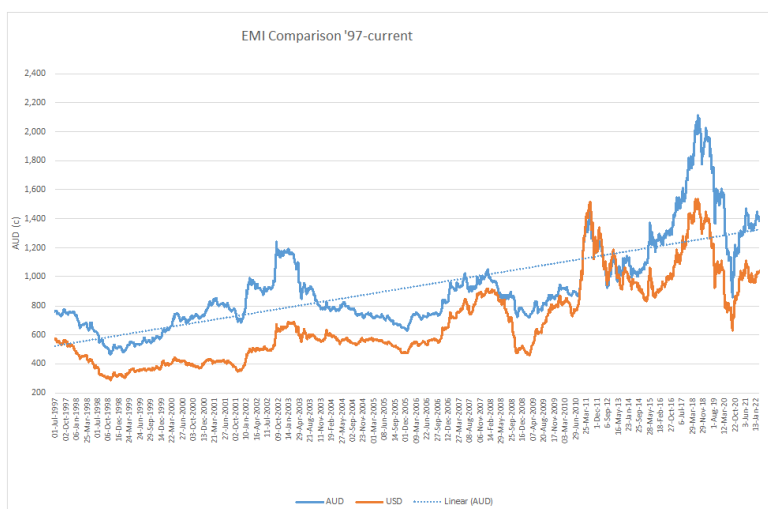


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**WOOLBROKERS MERCHANDISE LIVESTOCK**

**Merino Cardings** saw locks rise by up to 20c whilst crutchings and stains open up to 10c dearer on Tuesday. This rise for Merino locks extended another 30c on Wednesday whilst the crutching and stains held firm. Crossbred oddments remained irregular, dependent mainly on their fibre diameter. Coarse crossbred oddments are largely neglected by buyers.

The end of the month of April has revealed that the AWTA key test data resulted in a 6.4% decline in wool tested nationally, whilst the Year to date key test data indicates an increase of 6.8% to 282Mkg. With 2 months remaining, it is estimated that there will be 314Mkg produced in Australia for the 2021-22 season is on track. The value of wool sold at auction totals \$2172.3M, up 23% from the same time last year.



Region	Centre	4/05/2022	28/04/2022	Variance	Bales Offered	Bales Sold	Pass-in%	Next Sale Offering
Northern	Sydney	1,489	1,466	23	9,562	9,063	5.2%	9,155
Southern	Melbourne	1,342	1,317	25	22,140	20,797	6.1%	25,104
Western	Fremantle	1,473	1,430	43	8,451	7,891	6.6%	8,520
National	AWEX EMI	1,401	1,377	24	40,153	37,751	6.0%	42,779

Next week's national offering is estimated at 42,779 bales with all selling centres offering over Tuesday and Wednesday. The early market intelligence is for a confirmation of this week at the closing levels if currency exchange remains around its current level of 72 USc.

Potential demand for Merino Wool remained relatively positive however the issues relating to containerisation and sea freight continues to restrict the financial capacity of exporters in committing to trading opportunities. In response to this financial shift, Moses & Son have extended payment terms to Exporters and Wool producers by 7 days which will assist in ensuring our clients' wool is given the best opportunity in the wool market. Exporters response has been extremely positively to this adjustment.

~ Marty Moses

Moses & Son Top Price Report							
Description	District	Micron	VMB	Yield	SL	SS	Price
AAA M	June	16.7	2.2	67.8	81	40	1878
AAA M	June	16.9	1.8	69.5	80	38	1870
AAA M WNS	Bethungra	16.4	1.3	61.6	72	44	1839
AAA M LMS	Grenfell	16.8	1.8	70.0	77	53	1830
AAA M WNS	Bethungra	16.5	1.4	61.4	83	42	1791

Mulesing Declarations		
NM	6,405	16.0%
CM	1,793	4.5%
AA	13,221	32.9%
<b>Totals</b>	<b>21,419</b>	<b>53.3%</b>
<b>Total weekly offering</b>	<b>40,153</b>	