

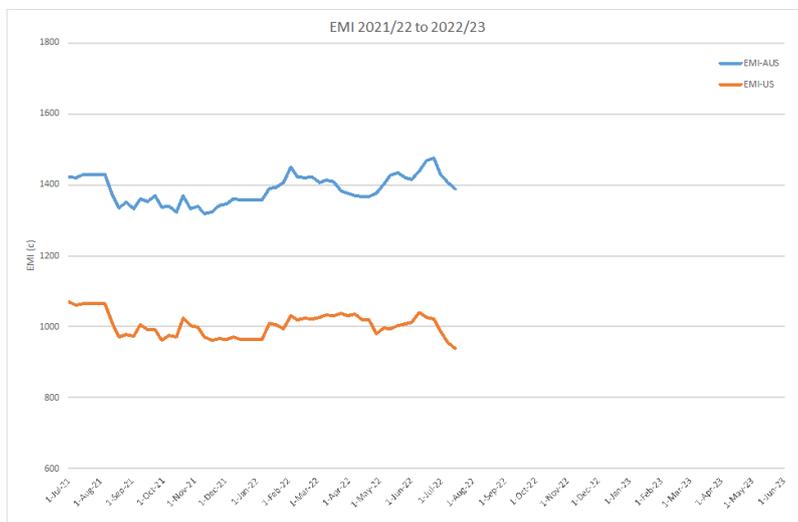


MOSES & SON

WOOLBROKERS MERCHANDISE LIVESTOCK

Week S02:

The AWEX EMI closed on 1388c, down 19c at auction sales in Australia this week. This week signalled the final sale before the mid-year 3 week recess, which normally comes under exporter criticism for offering large quantities and this week's sale was no exception. Heading into the week, the offering was estimated at 62,000 bales, and as expected the pre-sale withdrawn lots brought the offering back 13% to 55,210 bales with Melbourne and Fremantle offering the larger percentages of previously offered wool. 86.4% of the offering was cleared to the buying trade, dominated by the large Australian Trading houses and the Chinese Indent Operators and Large Chinese Processors. As we have seen many times before, it took until the final day of selling on Thursday in Melbourne to see a price recovery worth noting.



Merino Fleece saw Tuesday's market close 20c cheaper for 17-18.5 μ and the 19 μ and coarser MPG's dropping 9-12c. It was the poorer style and poorly prepared lots coming under the most price pressure. Wednesday saw the largest Sydney daily offering for 11 years holding Tuesday's price levels and in some cases, posting some slight price increases. Melbourne's performance was not as flattering as the northern markets with falls of 10-40c recorded for 17-19 μ in the South. Melbourne sold on Thursday in isolation and posted price rises from 7c up to 75c for the best style and specified lots offered that day. The last day price discovery was a welcome result to a week full of market uncertainty.

Merino Skirtings mimicked the fleece with patches of weakness and then some resilience. The selection differences between centres produced some difficulty in quoting a general market direction, and this is largely due to the quality of the offering in each centre. The exporter support came from the large Australian Export Trading houses.

MPG North	Percentile 10y	14/07/2022	6/07/2022	Variance	5 Year Average	5 year var	5 year % var
17	88.2%	2,639	2,662	-23	2,332	307	13.2%
18	64.5%	2,058	2,095	-37	2,063	-5	-0.3%
19	58.0%	1,683	1,698	-15	1,806	-123	-6.8%
20	56.0%	1,442	1,456	-14	1,645	-203	-12.3%
21	53.5%	1,384	1,403	-19	1,595	-211	-13.2%
22	52.2%	1,350	1,350	0	1,557	-207	-13.3%
30	0.0%	310	310	0	521	-211	-40.5%
EMI	70.0%	1,388	1,407	-19	1,538	-150	-9.8%



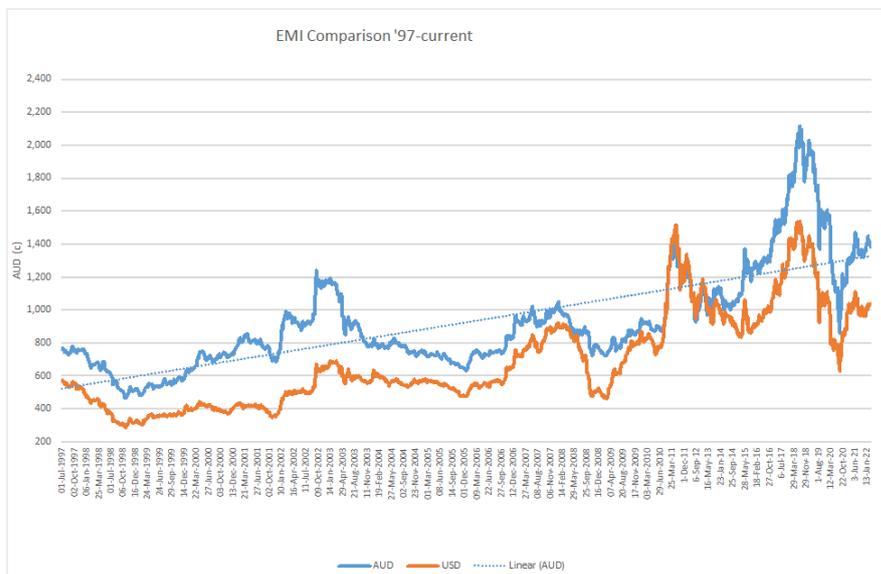
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Crossbreds were generally a few cents cheaper across the week with the best style and classed lots holding the previous week's levels whilst anything slightly coloured or poorly classed was neglected. Crossbreds have had an extraordinarily long period of very poor price support and as another season rolls on by, I cannot see any improvement on the horizon.

Merino Cardings were also more resilient than their combing counterparts, posting average falls of 4c for the week across the 3 centres.

Merino carbonising lambs were at times extreme as the competition for this type is indicative of the extremely scant supply. Crossbred Oddments remain poorly supported.



Forward Market were again not immune to the negative market sentiment, with buyers generally exiting any forward trading until they can see a solid indication of a demand rebound. This is certainly not restricted to wool. More substantial falls in commodity prices, both locally and overseas, have occurred as markets continued to react to the concerns around a global recession.

The three week recess seems to have come around very quickly and most of us in the trade will welcome the recess in sales to tackle the set up for the new season sales in August. Of course it is anticipated the full brunt of price increases will be implemented to cover off on the inflationary pressure on the country. Last week I spoke about the sale recess and impact for the price of wool the large offering has had on our market confidence. This week I would like to focus on the real threat of Foot and Mouth Disease (FMD). The FMD outbreak in Indonesia is dangerously close to our shores, and there's a reported lack of human resource of airport staff from Bali and other Indonesian nations to regulate the biosecurity controls to keep us safe. Whilst there is plenty of work ongoing to manage/mitigate the risks, there is only one sure-fire way to keep FMD at bay; that is closing the borders to Indonesian countries until such times we can either resource the airport controls to quarantine passengers and their luggage or until the Indonesians have FMD under control. It's time to lobby our government representatives to protect our industry.

Sales will resume on Tuesday the 9th August and I am expecting that the closing northern market levels will form the basis for the new opening. ~ Marty Moses

Region	Centre	14/07/2022	6/07/2022	Variance	Bales Offered	Bales Sold	Pass-in%	Next Sale Offering
Northern	Sydney	1,464	1,483	-19	19,207	16,480	14.2%	RECESS
Southern	Melbourne	1,337	1,357	-20	26,835	23,899	10.9%	RECESS
Western	Fremantle	1,473	1,486	-13	9,168	7,310	20.3%	RECESS
National	AWEX EMI	1,388	1,407	-19	55,210	47,689	13.6%	RECESS



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WOOLBROKERS MERCHANDISE LIVESTOCK

Moses & Son Top Price Report

Description	District	Micron	VMB	Yield	SL	SS	Price
AAA M	Lockhart	16.7	1.6	64.7	96	34	1721
AAA M	Lockhart	16.5	1.6	60.5	87	35	1660
AAA M	Lockhart	16.5	1.5	61.6	94	29	1650
AAA M	Lockhart	16.8	2.1	63.3	81	41	1611
AAA M	Lockhart	16.9	0.7	64.5	64	59	1529

Mulesing Declarations

NM	6,564	11.9%
CM	1,308	2.4%
AA	20,153	36.5%
Totals	28,025	50.8%
Total weekly offering		55,210

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Wednesday, July 20, 2022, 09:00

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