



# MOSES & SON

WOOLBROKERS MERCHANDISE LIVESTOCK

## Week S17:

The AWEX EMI closed on 1300c - down 23c at auction sales in Australia this week.

As the hype of the past two positive weeks results faded early this week, reduced interest from China coupled with a stronger AUD/USD exchange rate saw the clearance rate drop to 82.3% of the 41,056 bale offering. The EMI fell just 3c in USD terms.

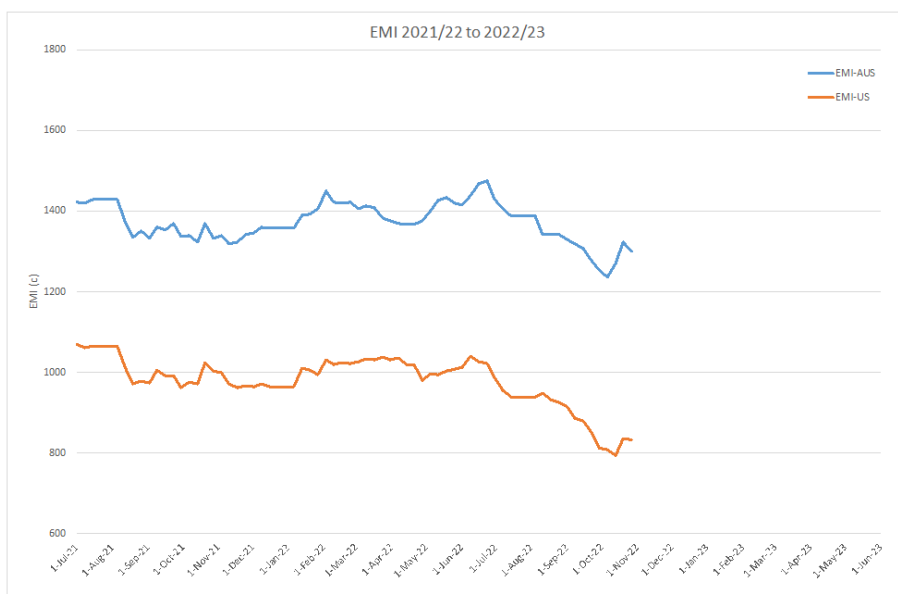
**Merino Fleece** in the fine and medium categories finished the week generally 30-40c cheaper. Unfortunately more substantial price corrections were

evident in the 17 $\mu$  MPG which gave back 65c of the 77c gain from last week. The best performing category was the 18.5-19 MPG which fell just 10-15c where the selection had a reasonable weighting of NM Certified Integrity offered. Lots less than 18 $\mu$  containing cott or colour were the heaviest hit as they fell outside the Indian and European specifications. Lots suitable for Chinese standard orders were also heavily affected.

**Merino Skirtings** measured falls of 20-40c which were in line with the fleece movements. The best style and specified were least affected by the price adjustment.

**Crossbred** combing wools were generally 10-15c lower over the week, giving back ½ of last week's gains. On a positive note, the offering contained an increase in the specs and quality, keeping the competition interested keeping processes relatively static in USc terms.

**Merino Cardings** was the only category to continue the positive trend of the past two weeks posting gains of 9c, 20c and 14c in the North, South and Western selling centres. XB oddments continued to attract mediocre competition albeit from a low price base.



| MPG North | Percentile 10y | 26/10/2022 | 19/10/2022 | Variance | 5 Year Average | 5 year var | 5 year % var |
|-----------|----------------|------------|------------|----------|----------------|------------|--------------|
| 17        | 63.8%          | 2,277      | 2,342      | -65      | 2,294          | -17        | -0.7%        |
| 18        | 53.8%          | 1,897      | 1,937      | -40      | 2,043          | -146       | -7.2%        |
| 19        | 49.7%          | 1,611      | 1,625      | -14      | 1,793          | -182       | -10.1%       |
| 20        | 55.0%          | 1,438      | 1,464      | -26      | 1,638          | -200       | -12.2%       |
| 21        | 50.0%          | 1,350      | 1,379      | -29      | 1,584          | -234       | -14.7%       |
| 22        | 45.0%          | 1,300      | 1,300      | 0        | 1,546          | -246       | -15.9%       |
| 30        | 0.5%           | 300        | 310        | -10      | 521            | -221       | -42.4%       |
| EMI       | 48.0%          | 1,300      | 1,323      | -23      | 1,538          | -238       | -15.5%       |

The third term re-election of the Chinese President Xi Jinping was recently announced which was followed by the decision from the Chinese Communist Party (CCP) to crown him "president for life". This news was not received well by the Chinese Financial markets which plummeted immediately after the announcement. With the Chinese Economy already under huge economic pressure from his COVID shutdown policy, we wait.



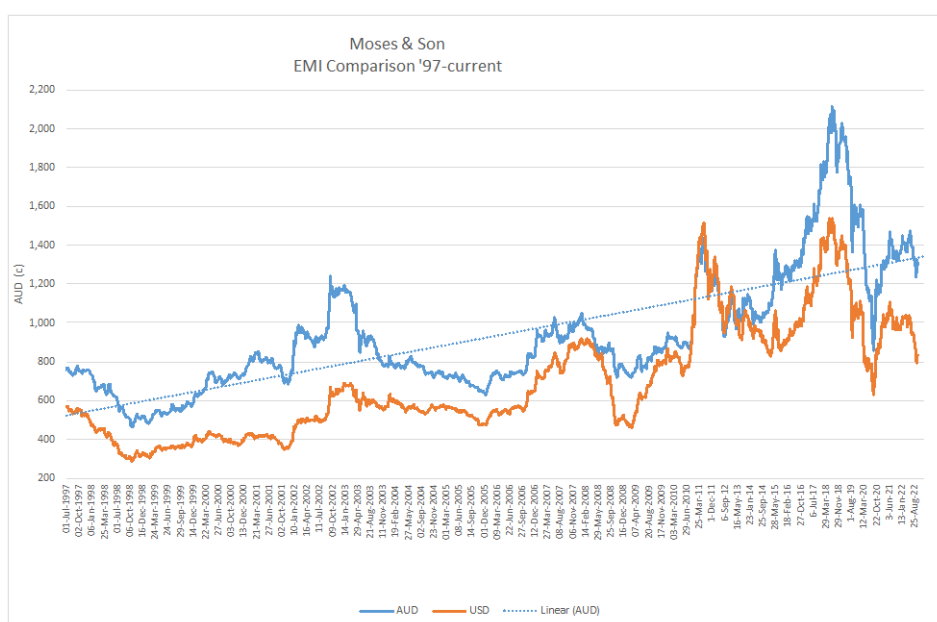
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In other major news, Rishi Sunak (42) was appointed as the new British prime minister after Liz Truss stood down after the shortest of reigns recently. Rishi will be both the youngest and first British Asian PM in history.

The Russian Ukraine war and inflationary pressures continue to drive economies towards recession which dominated the remaining world news.

On the positive side, the freeing up of the shipping logistics log jam has begun to reduce the cost of shipping goods from Australia to China and from China to Europe.



Next week is offering 43,036 bales in Sydney, Melbourne and Fremantle. The sales will be conducted on Wednesday and Thursday to accommodate a Melbourne Cup Public Holiday on Tuesday. It could be a tough week for the merino combing sector. ~ Marty Moses

| Region   | Centre    | 26/10/2022 | 19/10/2022 | Variance | Bales Offered | Bales Sold | Pass-in% | Next Sale Offering |
|----------|-----------|------------|------------|----------|---------------|------------|----------|--------------------|
| Northern | Sydney    | 1,384      | 1,405      | -21      | 10,089        | 9,294      | 7.9%     | 11,532             |
| Southern | Melbourne | 1,244      | 1,268      | -24      | 20,604        | 16,683     | 19.0%    | 22,760             |
| Western  | Fremantle | 1,427      | 1,469      | -42      | 8,415         | 6,190      | 26.4%    | 8,744              |
| National | AWEX EMI  | 1,300      | 1,323      | -23      | 41,056        | 33,770     | 17.7%    | 43,036             |

| Moses & Son Top Price Report |           |        |     |       |    |    |       |
|------------------------------|-----------|--------|-----|-------|----|----|-------|
| Description                  | District  | Micron | VMB | Yield | SL | SS | Price |
| AAA M WNS                    | Carcoar   | 15.7   | 0.7 | 73.2  | 86 | 42 | 1988  |
| M W PCS                      | Carcoar   | 15.1   | 1.4 | 66.7  | 76 | 39 | 1710  |
| AAA M LMS                    | Carcoar   | 15.4   | 0.6 | 64.9  | 48 | -  | 1540  |
| AAAA M                       | Morundah  | 17.8   | 0.5 | 69.2  | 73 | 50 | 1478  |
| AAA M                        | Old Junee | 16.9   | 0.7 | 67.7  | 97 | 25 | 1471  |

| Mulesing Declarations        |               |              |
|------------------------------|---------------|--------------|
| NM                           | 7,123         | 17.3%        |
| CM                           | 1,143         | 2.8%         |
| AA                           | 15,009        | 36.6%        |
| <b>Totals</b>                | <b>23,275</b> | <b>56.7%</b> |
| <b>Total weekly offering</b> | <b>41,056</b> |              |