

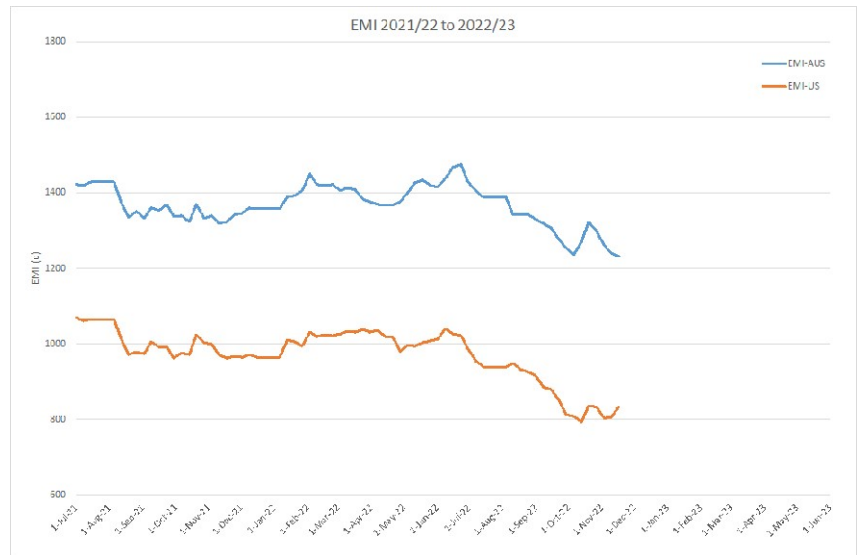


# MOSES & SON

## WOOLBROKERS MERCHANDISE LIVESTOCK

**Week S20:** The AWEX EMI closed on 1,232c down 9c at auction sales in Australia this week. The weaker USD pushed the AUD to top out at 67.8c (+2.68c) producing an EMI rise of 27c in USD terms.

87.5% of the 33,719 bales offered were cleared to the trade after 7.7% of the national offering was withdrawn before sale. Competition from China continued to be scant early in the week, whilst the Indian and European interest remained more influential. As the week progressed the Chinese increased their price basis offers, however exporters seems reluctant to take the business trying to avoid being caught in a short position with little or no stock.



The EMI is the lowest level since January 2021 and the run of daily EMI losses now totals 8 successive days with both selling days posting losses this week.

**Merino Fleece** was dominated by the Trading exporters with unfavourable currency exchange thwarting the Chinese processor's confidence. Whilst the week produced a firming market for the 19-21MPG's, a weaker tone continued for 16.5-18.5 MPG's which posting losses of up to 30c.

In addition to lower expectations of apparel activity at retail, the finer wools are being challenged by an increasing percentage of poorly specified wools with high CVH, low Nkt and over length wools making it hard to meet the standard mill specifications. It is evident that the superior specified and well prepared lots have maintained some price structure and are usually keenly sought. Merino weaner wool became extremely irregular and sensitive to the specification pressures of the current orders.

**Merino Skirtings** followed the fleece trends with the finer end falling by 10-20c on both days and the medium and coarse skirting lots staying within 10c of last week's levels. The worst affected lots remain in the poorly prepared and high VM lots.

**Crossbred combing** wools continued to be difficult to sell however there was increased price support noticed on Wednesday and I suspect the quality of the offering may have played a part in this positive movement.

**Merino Cardings** were dominated by the early stage processors posting falls of 9c in Sydney, 15c in Melbourne and 14c in Fremantle. The lower style, lower yielding and higher VM were most affected in this result. **Crossbred oddments** were harder to sell at ridiculously low price levels.

MPG North	Percentile 10y	17/11/2022	9/11/2022	Variance	5 Year Average	5 year var	5 year % var
17	57.0%	2,145	2,200	-55	2,285	-140	-6.1%
18	47.5%	1,802	1,838	-36	2,040	-238	-11.7%
19	44.2%	1,539	1,534	5	1,791	-252	-14.1%
20	40.0%	1,365	1,370	-5	1,637	-272	-16.6%
21	33.0%	1,280	1,280	0	1,583	-303	-19.1%
22	22.0%	1,200	1,275	-75	1,545	-345	-22.3%
30	1.2%	300	300	0	520	-220	-42.4%
EMI	36.0%	1,232	1,241	-9	1,538	-306	-19.9%

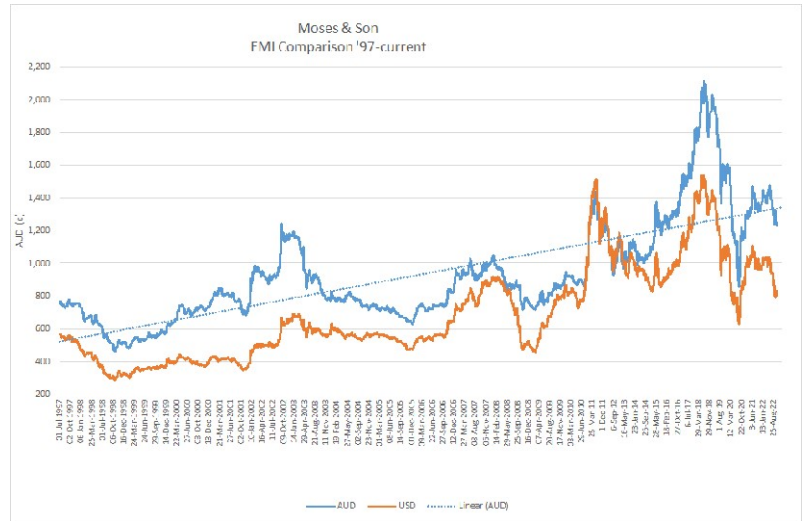


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Stating the bleeding obvious- we exist in a period where the shocking news comes thick and fast from around the world. This week started with reports of further attacks from Russian on the Ukraine and ongoing UN investigations to who was at fault. In the US the Republicans have claimed victory in the House of Representatives over the Democrats elevating interest post midterm elections and a colourful lead up to the 2024 elections. The expectation that we will hear more about Trumps election campaign will have the media in a frenzy. In the UK the new Prime Minister Rishi Sunak and his team have reversed the previous leaderships tax cut mantra and propose to install an increase in taxes.

Locally our thoughts have been focussed towards those who are affected by the eastern state floods. To add salt to the wound the threat of Australia's largest tugboat operator (Svitzer) is threatening a workers lock out across 17 Australian Ports in an ongoing dispute with unions over an enterprise agreement, which may cause significant delays in shipping logistics. The employment rate in Australia continued to increase this month, contradicting prediction that unemployment would be increasing. This poses some challenges for the Australian Reserve bank in relation to their actions on Interest rates.



As we enter the last 4 sales for the year it is evident that the economic picture around the world is potentially one of the worst periods of economic uncertainty I have seen in my working life. China did release snippets of news which may relieve some tension on their COVID lockdowns this week but I am still to be convinced that the news is impactful.

As a few headers and windrowers slowly start up around the region we will be praying for blue skies and light winds and wish everyone a safe and quick harvest.

Mulesing Declarations		
NM	7,598	22.9%
CM	867	2.6%
AA	13,801	41.6%
<b>Totals</b>	<b>22,266</b>	<b>67.1%</b>
<b>Total weekly offering</b>		<b>33,179</b>

Next week 36,220 bales will be offered it three centres. It is hard to see any change in the market sentiment until China re-enter. Whilst we have weekly offerings under 40,000 we should be able to maintain around the current levels until Christmas. ~ Marty Moses

Region	Centre	17/11/2022	9/11/2022	Variance	Bales Offered	Bales Sold	Pass-in%	Next Sale Offering
Northern	Sydney	1,315	1,333	-18	8,154	7,386	9.4%	7,667
Southern	Melbourne	1,176	1,180	-4	16,159	14,291	11.6%	20,584
Western	Fremantle	1,379	1,381	-2	7,185	6,088	15.3%	7,969
National	AWEX EMI	1,232	1,241	-9	33,179	29,018	12.5%	36,220

Moses & Son Top Price Report							
Description	District	Micron	VMB	Yield	SL	SS	Price
AAA M	Cootamundra	17.8	0.7	73.1	116	30	1225
AAA M	Cootamundra	17.8	0.6	72.1	119	23	1194
AAA M	Cootamundra	18.0	0.7	72.6	119	24	1171
AAA LMS M	Grenfell	17.5	0.3	69.2	60	55	1170
AAA M LMS	Thuddungra	17.0	0.3	67.6	58	47	1150