



MOSES & SON

WOOLBROKERS MERCHANDISE LIVESTOCK

Week S37: 16/03/2023

The AWEX EMI closed on 1317c, down 41c at auction sales in Australia this week. 44,049 bales were offered with an 80.7% clearance to the trade, I would consider a reasonable result given the measured falls in the merino sector. The sharp losses pushed the clearance down across the country, as sellers were not prepared to accept the prices on offer. The 2-day sale commenced on Wednesday with Melbourne opening immediately on a weaker note as expected. As the news of the first hour's cheaper price basis filtered through the Northern market, levels were adjusted down with the EMI for Wednesday falling by 31c. In turn when the news of the weaker market in the eastern states was received in Fremantle before the market opened almost 18% of their offering was withdrawn before the sale. The continuation of the favourable AUD exchange rate had little or no impact on this week's market as the issues at the Melbourne dumps and container packing houses continued to erode the financial capacity of the majority of the exporters. The bottle neck at the two dumping and packing organisations is holding wool back from being shipped and hence creating financial pressures on the exporter's ability to continually finance their weekly purchase. Given the bales offered through Auction YTD is .8% more than last year, it begs the question of why we have not seen an adjustment in the logistical capacity to deal with the quantities of wool being delivered and offered, when you consider that the Wool Production Forecasting Committee have been projecting for increases in production over the past 12 months.

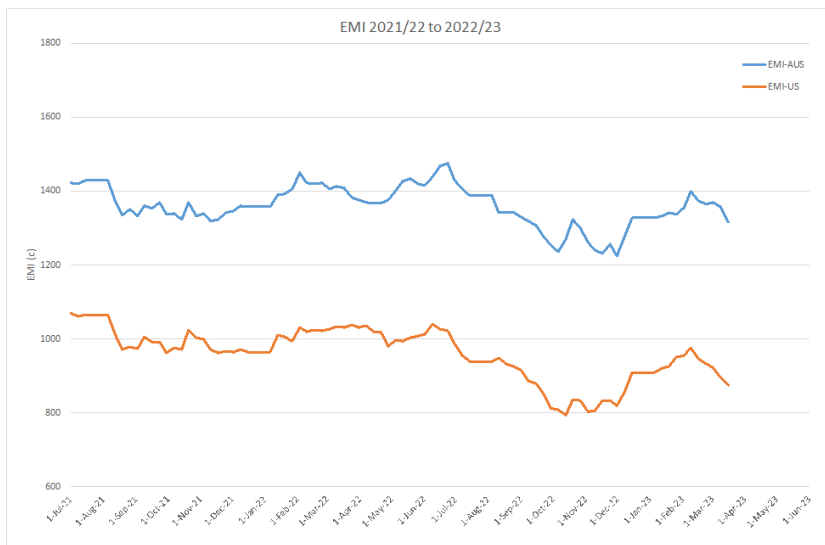
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Merino Fleece saw the offering of less specialty superfine lots for the week and in place an increase of MF4 and MF5 style fleece. This week also saw some large pastoral clips being offered with a noticeable increased in vegetable matter. Sydney saw the 16.5-18 μ MPG's adjust down by 58-99c whilst the 18.5-19.5 μ MPG's losing 6c-29c. In Melbourne the MPG's lost between 30c and 55c noting the style adjustment was not as noticeable as it was in the north. Thursday's offering produced mixed results early in the day as new orders were being received as the news of the new price level was being digested. This resulted in a slight increase in price of the best specified and prepared fleece lots whilst the lots containing low strength and high midpoint break in the staple continuing to be harder to sell.

Merino Skirtings tracked the fleece this week however the FNF types did a better job of resitting the downward price pressure. Medium and heavy VM felt the full force of the price falls as the volume of these types increased throughout the week.

Crossbreds in Sydney fell 20-30 on Wednesday before a solid base was reached early on Thursday in the eastern selling centres. Once again well classed and presented clips continued to sell at reasonable levels whilst the unskirted and unclassed lots attaining substantially less money in the room.

Merino Cardings experienced a 20-25c price reduction on Wednesday with Merino Locks reducing by up to 50c on selected lots. Thursday's market saw another 20-30c reduction in the merino cardings with the shorter oddments most affected.



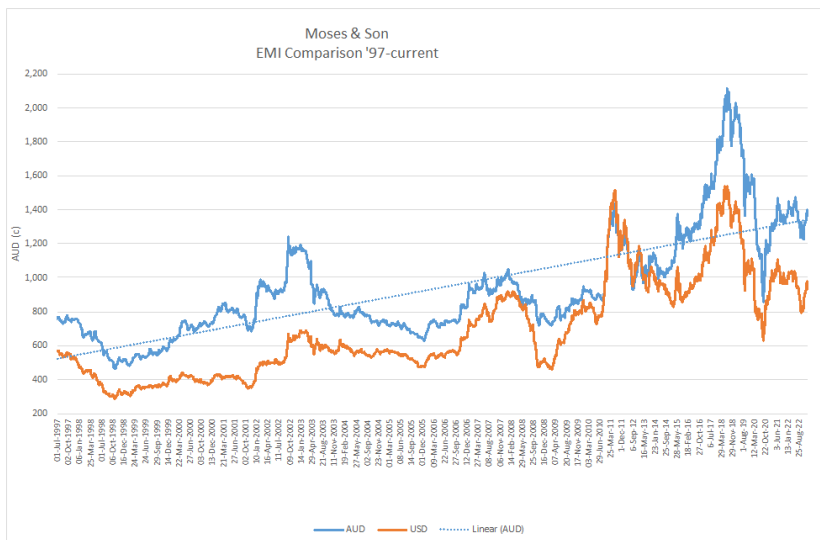
MPG North	Percentile 10y	16/03/2023	9/03/2023	Variance	5 Year Average	5 year var	5 year % var
17	61.7%	2,262	2,358	-96	2,272	-10	-0.4%
18	59.0%	1,972	2,033	-61	2,041	-69	-3.4%
19	57.5%	1,676	1,698	-22	1,797	-121	-6.7%
20	61.5%	1,490	1,535	-45	1,645	-155	-9.4%
21	58.5%	1,411	1,425	-14	1,590	-179	-11.2%
22	57.5%	1,376	1,300	76	1,550	-174	-11.2%
30	8.0%	322	260	62	520	-198	-38.1%
EMI	50.9%	1,317	1,358	-41	1,538	-221	-14.4%



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Demand Weakens: It was less than a month ago we heard that our major markets in China, India & Italy were fully operational, and that the Chinese were receiving improved orders for their tops from Europe and the US. This week my intel is that demand for processed product in China is slowing amongst some of the major topmakers. Therefore, sales were harder to make for the locally based exporters into China. Thankfully Tianyu (China's largest Top maker) seem to be stepping in when the market falls essentially, putting an unofficial base price in the market. Some exporters felt that Thursday's market experienced some late buying pressure about 2/3 of the way through the sale day. This activated some of the traders (who have the financial capabilities) to take stock in hope next week might be ok. On the world financial news this week saw no less than 3 banking institutions literally collapse or wipe off 30% of the share value. They were Silicon Valley Bank (SVB) and Silvergate Bank in the US and Credit Suisse who's share value plummeted 30% overnight. Whilst I don't know if any of the wool industry participants would be directly affected, I am sure this news has placed negative undertones in the market as it begs the question if the cause of the collapse is specifically related to the banks under pressure or there is an underlying systemic problem.



Next week's national estimate offering is 46,274 bales. Whilst we can hope there is some renewed vigour forthcoming from the buying fraternity, my early market intelligence reveals that it could be another tough week. ~Marty Moses

Region	Centre	16/03/2023	9/03/2023	Variance	Bales Offered	Bales Sold	Pass-in%	Next Sale Offering
Northern	Sydney	1,399	1,437	-38	12,535	10,856	13.4%	10,280
Southern	Melbourne	1,262	1,305	-43	23,051	18,500	19.7%	26,176
Western	Fremantle	1,445	1,501	-56	8,463	6,175	27.0%	9,818
National	AWEX EMI	1,317	1,358	-41	44,049	35,531	19.3%	46,274

Moses & Son Top Price Report							
Description	District	Micron	VMB	Yield	SL	SS	Price
AAA M	Carcoar	16.8	0.5	76.3	93	44	1648
AAA M	Carcoar	17	0.4	76.4	95	35	1629
AAA M	Yerong Creek	17.2	0.2	73.7	82	32	1558
AAA M	Carcoar	16.6	0.6	73.1	92	28	1561
AAA M LMS	Temora	16.4	1.1	66.2	70	42	1535

Mulesing Declarations		
NM	8,931	20.3%
CM	1,045	2.4%
AA	15,345	34.8%
Totals	25,321	57.5%
Total weekly offering	44,049	