

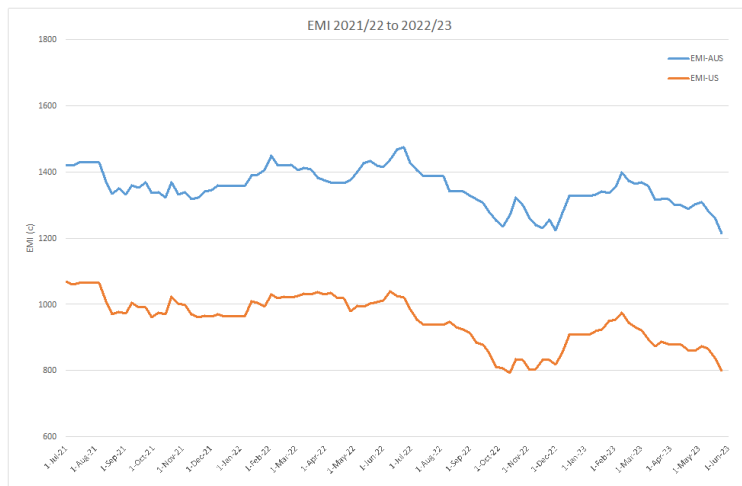


# MOSES & SON

**WOOLBROKERS    MERCHANDISE    LIVESTOCK**

## Week S47: 24/05/2023

The AWEX EMI closed the week on 1214c, down 49c at auction sales in Australia this week. This week's offering was projected as 42,492 bales, however as one would expect in a failing market the sellers right to reserve or withdraw their wool from the offering saw just 39,039 bales reaching the rostrum, 8% lower than the early offering projections. Despite the reduced offering this week's poor clearance rate fell back to 72.7%, a reflection of the lack of confidence and increasing negative sentiment for an imminent recovery. Clear market signals from Western Australia on Wednesday where over 60% of the M FLC



offering being passed in. The weaker exchange rate did little to aid the Australian Wool Market with the EMI in USD falling 39c to 801c the lowest level for the EMI in USD in 7 months.

**Merino Fleece** saw a poor opening with most MPG's falling by 10-58c by the close. Interestingly enough, the 18 MPG was quoted as holding firm in Sydney on Tuesday whilst the Southern and Western Markets experienced a 45 fall. Competition on the 18-19 micron best style FNF fleece were met with more vigour from Italy and India and masked the underlying lack of interest in the poor style High VM and CVH lots that sit outside the standard Chinese types. Wednesday experienced a similar fall across all merino fleece types with each selling centre experiencing varying degrees of negative price movement. A clear sign that no one knows how to arrest this crashing merino market. The largest buyer was jostled between the largest trading exporters and the largest Chinese top makers, whilst the indent buyers took a back seat.

**Merino Skirtings** followed the fleece and could be described as variable but substantially cheaper. The Low VM best pieces attracted better competition from the trade, whilst many lots were worlds apart from the previous week's price basis.

MPG North	Percentile 10y	24/05/2023	18/05/2023	Variance	5 Year Average	5 year var	5 year % var
17	48.9%	2,058	2,150	-92	2,264	-206	-9.1%
18	44.6%	1,787	1,838	-51	2,039	-252	-12.3%
19	39.2%	1,515	1,596	-81	1,796	-281	-15.6%
20	44.7%	1,395	1,458	-63	1,647	-252	-15.3%
21	49.7%	1,364	1,395	-31	1,592	-228	-14.3%
22	47.1%	1,319	1,300	19	1,553	-234	-15.1%
30	0.5%	292	297	-5	520	-228	-43.9%
EMI	49.9%	1,214	1,263	-49	1,538	-324	-21.1%

**Crossbreeds** traded at slightly cheaper levels however the falls in % terms could be seen as arbitrary, as the number of well grown and well classed XB combing lots were scant.

**Cardings** mimicked the fleece downward spiral, as exporters report poor trading conditions on Locks, Crutchings and Stain lots coarser than 17 microns at this time. XB cardings remain at bargain basement prices and week after week many lots attract no or very low bids.

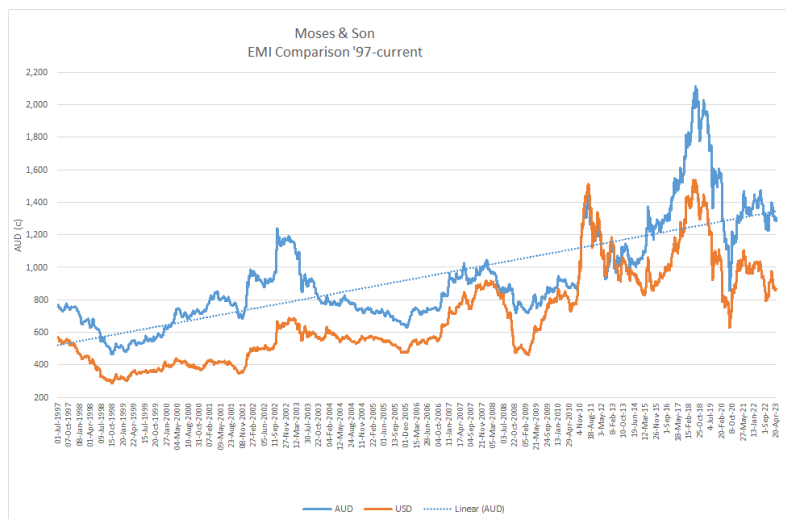


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## Market commentary

The magnitude of this week's price falls was a surprise to most of the trade. Most trading exporters had not sold forward due the low price from TM on offer, or just no interest from their Chinese clients. Whist majority of exporters have generally had a strategy of holding a minimum stock level each week, this practice has dwindled due to the fragile business outlook and the cost of holding stock tripling over the past 12 months (interest increases on their finance facilities and bottlenecks in the dumping houses). It is also common at this time of the year that the stock position is reduced for a number of financial reporting reasons, as well as the historical narrowing of types in demand.



The financial news this week continued to focus on the US Debt Ceiling and the expectations that further interest rate rises will occur.

Despite the 96c (-7.3%) fall in the EMI over the past month, next week's offering totals 47,041 bales. At this point in time, it's difficult to see what might drive a price recovery. ~Marty Moses

Region	Centre	24/05/2023	18/05/2023	Variance	Bales Offered	Bales Sold	Pass-in%	Next Sale Offering
Northern	Sydney	1,273	1,329	-56	9,723	7,890	18.9%	12,774
Southern	Melbourne	1,174	1,219	-45	22,404	16,877	24.7%	25,647
Western	Fremantle	1,337	1,402	-65	6,912	3,608	47.8%	8,620
National	AWEX EMI	1,214	1,263	-49	39,039	28,375	27.3%	47,041

### Moses & Son Top Price Report

Description	District	Micron	VMB	Yield	SL	SS	Price
AAA M	Lockhart	16	0.5	67.1	71	40	1645
AAA M LMS	Cootamundra	15.6	0.6	67.6	83	29	1477
AAA M	Young	16.3	1.6	69.3	75	44	1473
AAA M	The Rock	17.2	1.1	68	89	36	1405
AAA M	Young	16.5	1.5	70.6	71	38	1400
AAA M	Lockhart	16.8	1.1	65.6	83	39	1400

### Mulesing Declarations

NM	7,999	20.5%
CM	1,604	4.1%
AA	14,264	36.5%
<b>Totals</b>	<b>23,867</b>	<b>61.1%</b>
<b>Total weekly offering</b>	<b>39,039</b>	