

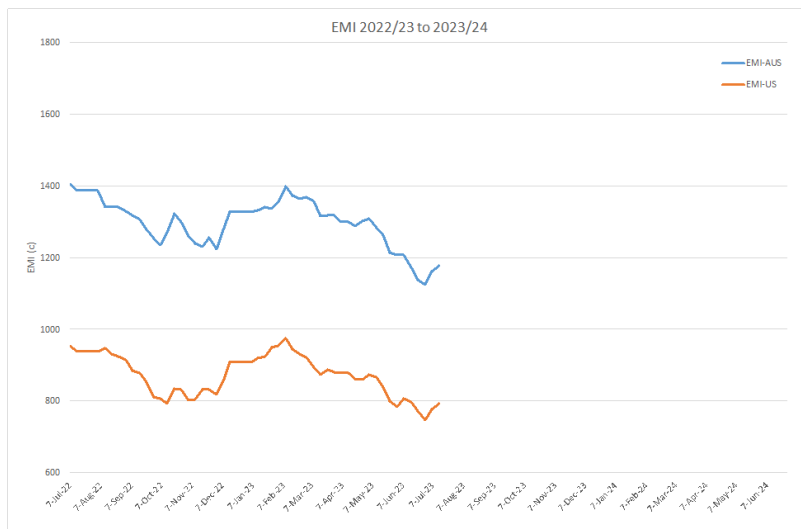


# MOSES & SON

**WOOLBROKERS MERCHANDISE LIVESTOCK**

## Week S02: 12/07/2023

The AWEX EMI concluded at 1,179 cents, an increase of 17 cents, in the auction sales held in Australia this week. It was the final sale before the customary three-week mid-year recess. The market exhibited a positive trend, with 92.4% of the 43,697 bales offered being successfully sold. The slight appreciation of the Australian Dollar by 0.6 cents on Wednesday had a minor influence on the offering. Since this was the last opportunity for exporters to purchase through auctions until August, buyer sentiment was high, leading to competitive bidding across all sectors of the market.



MPG North	Percentile 10y	12/07/2023	5/07/2023	Variance	5 Year Average	5 year var	5 year % var
17	36.2%	1,858	1,858	0	2,257	-399	-17.7%
18	33.8%	1,617	1,597	20	2,034	-417	-20.5%
19	29.8%	1,486	1,462	24	1,793	-307	-17.1%
20	34.8%	1,378	1,359	19	1,645	-267	-16.2%
21	22.0%	1,275	1,309	-34	1,591	-316	-19.8%
22	15.0%	1,200	1,200	0	1,552	-352	-22.7%
30	0.2%	265	285	-20	520	-255	-49.0%
EMI	76.9%	1,179	1,162	17	1,337	-158	-11.8%

On Tuesday, the **Merino Fleece** market opened on a strong note, with significant price rises observed for the 17.5 $\mu$  and coarser Micron Price Guide (MPG), while the 16.5 $\mu$  and 17 $\mu$  MPG levels remained unchanged from the previous week. However, on Wednesday, the fleece market experienced a slight decline in prices for the 17.5 $\mu$  MPG and coarser categories due to the appreciation of the Australian Dollar. The 16.5 $\mu$  MPG, on the other hand, increased by 5 cents on the closing day. Notable competition in this sector came from large trading houses, supported by Chinese Topmakers and indent operators.

**Merino Skirtings** started strongly and followed the upward trend of the fleece market, resulting in a price increase of 20 cents. This level was sustained on Wednesday. Crossbred Combing wools, ranging from 28 $\mu$  to 32 $\mu$ , saw a modest price rise of 5 to 10 cents. Although these small increases are positive after an extended period of historically low prices, the outlook for Crossbred combing wool remains relatively bleak.

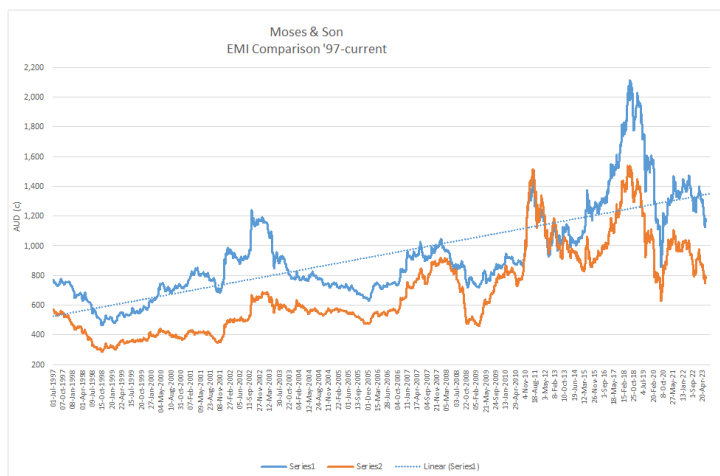
In terms of **Merino Cardings**, there was some improvement in competition. While price movements were negligible in the northern markets, there was a slight improvement in the Southern and Western MC's.



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**Analysis:** This week's results indicate the most promising start to a new season since 2020, when the EMI rose by 53 cents over the first two sales. It also marks a significant improvement compared to the previous year when the EMI dropped by 42 cents during the opening two weeks. The upward swing in the EMI is attributed to the 23% decrease in total bales offered during the first two weeks of this season compared to the same period last year.



Although the season concludes on a positive note, the outlook for the resumption of sales remains uncertain, particularly if the quantity of offerings exceeds 50,000 bales during the first two weeks of sales resumption. According to my sources, Australian wool prices may continue to face pressure in the short term until global inflationary pressures ease and there is a reduction in the overall cost of living and business expenses. Wool auction sales are currently in recess and are scheduled to recommence during the week starting Monday, August 7th, 2023. ~ Marty Moses

### Moses & Son Top Price Report

Description	District	Micron	VMB	Yield	SL	SS	Price
AAA M	Young	16.3	1.2	70.7	104	34	1400.0
AAA M	Young	16.6	1.5	72.2	102	44	1373.0
VARIOUS M WNS	Various	16.7	1.4	72.9	75	48	1317.0
VARIOUS M WNS	Various	16.0	0.9	66.7	75	19	1310.0
AAA M	Young	16.8	1.4	70.8	104	38	1300.0

Region	Centre	12/07/2023	5/07/2023	Variance	Bales Offered	Bales Sold	Pass-in%	Next Sale Offering
Northern	Sydney	1,223	1,212	11	14,869	13,888	6.6%	Sales resume wk beginning 7th August
Southern	Melbourne	1,149	1,128	21	21,596	19,785	8.4%	
Western	Fremantle	1,339	1,320	19	7,232	6,700	7.4%	
National	AWEX EMI	1,179	1,162	17	43,697	40,373	7.6%	

### Mulesing Declarations

NM	8,626	19.7%
CM	1,507	3.4%
AA	15,504	35.5%
<b>Totals</b>	<b>25,637</b>	<b>58.7%</b>
<b>Total weekly offering</b>	<b>43,697</b>	