



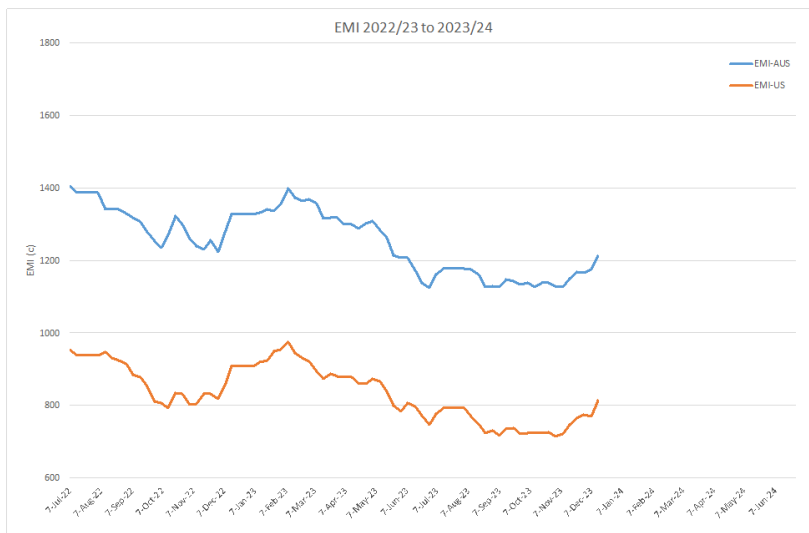
MOSES & SON

WOOLBROKERS MERCHANDISE LIVESTOCK

Week S24: 14/12/23

The AWEX EMI closed the week on 1212c up 35c at auction sales in Australia this week. The last sale for the calendar year mustered a 49,000 bale offering which would normally challenge the demand, however the increased weekly volume didn't stop the Chinese indent operators to throw caution to the wind, implementing a "buy at all costs" strategy that continued until mid-way through the Melbourne sale on Thursday.

I received reports that when some operators filled their orders, they immediately exited the room hence the competition was immediately reduced. Another challenge for the buyers was the sharp rise in the AUD which occurred on Thursday placing increased pressure on the cost of wool in USD. The AUD rose from mid .65c to early .67c, but with the exception of the slight fall in the MPGs on Thursday the tone set by the Chinese Indent operators during in the week was something we have not seen for quite some time in our wool auctions. The clearance rates topped 94% this week with the oddments dominating the passed in lots in the Eastern selling centres. You know the market is strong when Fremantle only pass in 5% of their offering.



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MPG North	Percentile 10y	14/12/2023	7/12/2023	Variance	5 Year Average	5 year var	5 year % var
17	42.7%	1,970	1,825	145	2,257	-287	-12.7%
18	38.7%	1,687	1,627	60	2,034	-347	-17.1%
19	33.6%	1,498	1,456	42	1,793	-295	-16.5%
20	47.5%	1,422	1,368	54	1,645	-223	-13.5%
21	44.5%	1,348	1,345	3	1,591	-243	-15.3%
22	20.0%	1,200	1,336	-136	1,552	-352	-22.7%
30	15.0%	325	317	8	520	-195	-37.5%
EMI	30.1%	1,212	1,177	35	1,319	-107	-8.1%

Merino Fleece delivered the week we have been praying for especially in the Northern region. 17.5 μ and finer posted rises of 94 - 145c, whilst the 18 μ and coarser added 42-89c. As mentioned above the large traders had to fight hard to buy against the Chinese indent operators in what I would consider a rare course of events in the sale rooms. The absence of the European spinners from the competition is also unusual and whilst we do not know the actual driver, for all indent operators to throw caution to the wind in the last two sales is extremely gratifying to wool producers who are sellers in those markets. Post christmas could see anything happen however I would proceed with caution when we are relying on China to compete with itself especially with the AUD above .67c.

Merino Skirtings followed the fleece, especially the best specified and prepared superfine pieces and bellies. As was in the fleece section, China dominated this sector with new competition pushing the superior lots to extreme price levels.

Crossbreds saw a fully firm market on the standard types, lots that were too short and had excessive VM remained harder to sell whilst the offerings are in the peak period for deliveries and many lots are reoffers from previous sales. Although the quotes in Sydney were nominal and indicated a 5c drop in the 28 MPG, the larger offering in Melbourne delivered 8-16c rises in the 30 MPG and finer with a 5c fall on the 32 MPG.

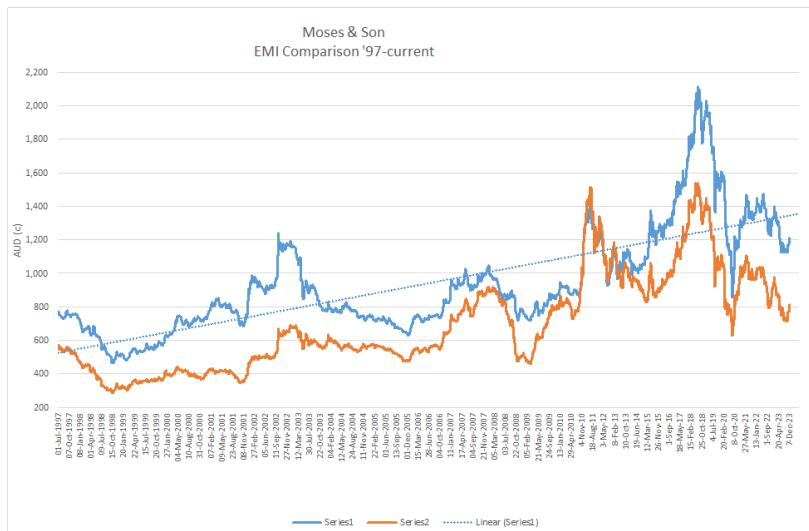
Merino Cardings posted average rises of 13c across the country. Some business being done into Korea stepped up the buying of some companies, however demand for MC types are still depressed into China and Europe. Crossbred oddments have shown a slight broadening in the competition base but price levels for the standard XB carbo types are still barely covering the cost of selling let alone the cost of shearing.



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We are now officially in the annual three-week Christmas recess, and whilst the \$64m question will be focussed on the direction of the opening sales, we should reflect on the year we have had. China continued to dominate the export numbers increasing their export volume by 4.5% from 263.8Mkg (79%) to 275.8 Mkg (81%). India posted a 25.6% increase in wool exports now totalling 6% of Australia's wool, with a move up to 21.6 Mkg from 17.2 Mkg. Conversely Italy has reduced their Wool export volume by 8.1% from 14.8 Mkg to 13.6 Mkg, as did the Czech Republic export whose numbers fell 34% reducing from 12.7 Mkg to 8.4 Mkg.



Whilst the past few weeks may have erased some of the hurt experienced in 2023, many wool producers are now contemplating their enterprise mix for the next few years. With both the Wool and Sheep markets bouncing in the past few weeks, the merino enterprises should fare well I would think. However, for a sustained recovery we look to the financial indexes for some guidance. The outlook for GDP growth in the major wool consuming countries may have to wait till 2025 to experience increases according to recent data. The same reports are predicting inflation to remain high in 2024 before subsiding in 2025. However, the wild card has always been and will always remain China. We can never discount their influence and commitment to our precious fibre.

Sales will resume on the 9th of January. Whilst the national offering is still being received and sampled around the country, one would project that it will be around the 50,000 bale mark, especially with the recent rises in merino wool prices in December.

Region	Centre	14/12/2023	7/12/2023	Variance	Bales Offered	Bales Sold	Pass-in%	Next Sale Offering
Northern	Sydney	1,273	1,221	52	12,518	12,200	2.5%	RECESS
Southern	Melbourne	1,172	1,148	24	27,847	26,021	6.6%	RECESS
Western	Fremantle	1,343	1,305	38	8,543	8,096	5.2%	RECESS
National	AWEX EMI	1,212	1,177	35	48,908	46,317	5.3%	RECESS

Moses & Son Top Price Report							
Description	District	Micron	VMB	Yield	SL	SS	Price
AAA M	Temora	15.9	1.1	72.7	80	38	1710
AAA M	Temora	16.6	0.8	71.3	88	36	1439
AAA M	Temora	16.8	0.7	71.6	82	39	1418
AAAA M	Morundah	16.6	1.9	68.0	70	54	1384
AAAA M	Morundah	16.7	1.7	66.1	84	39	1360
AAA M	Temora	17.3	0.6	72.5	89	37	1360

Mulesing Declarations		
NM	10,894	22.3%
CM	1,629	3.3%
AA	16,756	34.3%
Totals	29,279	59.9%
Total weekly offering	48,908	