

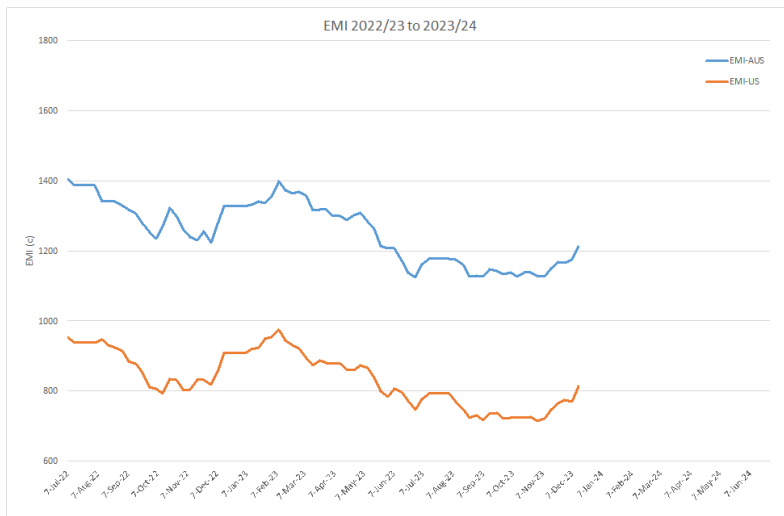


MOSES & SON

WOOLBROKERS MERCHANDISE LIVESTOCK

Week S28: 11/01/24

The AWEX EMI closed on 1213c up 1c at the opening auction sale for 2024, after a 3-week recess over the Xmas and New Years holiday period. The AUD - USD exchange opened similar to the closing exchange levels and consequently the EMI in USD terms closed the week up 2c. 50,884 bales were offered this week which was the largest offering for 8 months and the largest January opening sale for three years. 90.5% of the bales offered cleared to the trade with the largest purchasers coming from the Australian based export companies, Chinese Indent operators and large Chinese topmakers. The sale took a little while to find its level on Tuesday before weakening. The slightly weaker tone continued into Wednesday in Sydney and Melbourne and Thursday in Melbourne which required an additional selling day due to the additional quantities accumulated over the 3-week recess.



MPG North	Percentile 10y	11/01/2024	14/12/2023	Variance	5 Year Average	5 year var	5 year % var
17	41.7%	1,938	1,970	-32	2,257	-319	-14.1%
18	38.8%	1,693	1,687	6	2,034	-341	-16.8%
19	33.6%	1,498	1,498	0	1,793	-295	-16.5%
20	41.8%	1,394	1,422	-28	1,645	-251	-15.2%
21	41.0%	1,332	1,348	-16	1,591	-259	-16.3%
22	20.0%	1,200	1,200	0	1,552	-352	-22.7%
30	15.0%	325	325	0	520	-195	-37.5%
EMI	30.2%	1,213	1,212	1	1,319	-106	-8.0%

Merino Fleece opened strongly in the first hour of selling in Sydney, however Melbourne’s selection did not follow suit. This in turn influenced the Western markets which washed 18c off the Western Market Indicator. Whilst the 16.5, 18.0 and 19.0 MPG’s were positively influenced by the superfine selection in Sydney, the remaining MPG’s came under price pressure. Although the discounts for colour, cott, VM and other qualifiers were almost non-existent in the pre Xmas sale, this week the discounts for inferior wool returned to their normal position as the emotion of the indent operators to secure wool at all costs had moderated somewhat.

Merino Skirtings defied the pressure felt by their fleece counterparts and closed the week in positive price territory. Skirtings attracted strong support from a wider range of buyers competing aggressively on the best prepared and specified skirtings, most skirtings found a new home at slightly better prices than the pre-Xmas levels.

Crossbreds faced a larger offering with over 12,000 bales offered nationally. Expectations were that this market would come under some price pressure however generally traded at pre-christmas levels, give or take a few cents.

The Merino Cardings Indicator was varied with a 3c rise recorded in Sydney, a 20c rise was recorded in Melbourne and a loss of 9c was recorded in Fremantle. XB oddments remain extremely low and despite some of the best style and prepared 22 to 24 micron lamb types gaining in price levels, coarser micron categories and heavy VM crossbred oddments continued to struggle to recoup the cost of selling.

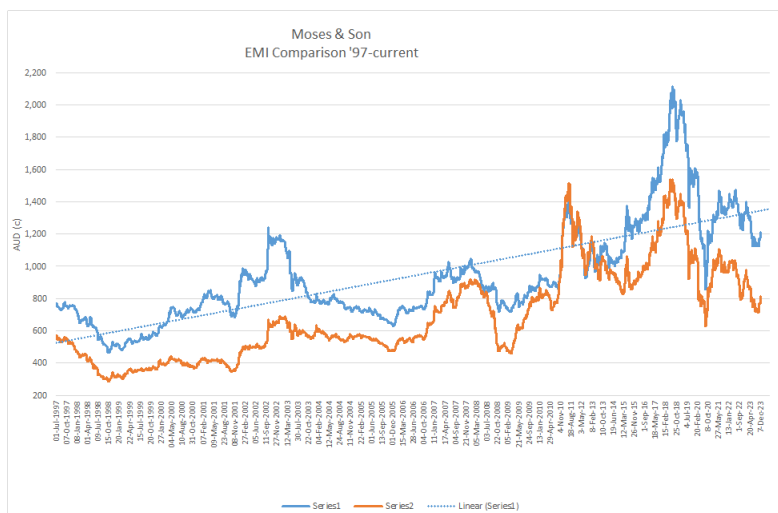


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As we launch in to 2024 full of positivity and hope for better markets for our products from our sheep enterprises, we need to consider the light of economic pressures on our customer, and the pipeline that services the purchaser of our goods. The Post Covid era has sent shock waves throughout the world's major economies, in addition we also have several areas of ongoing unrest and conflict that are creating further negative impact. Economies around the world are predicting slow and subdued growth in 2024.

China, our largest export destination who has a huge domestic appetite for wool apparel and knitwear, is entering into a "new normal" of lower, but potentially better-quality growth. India (our second largest export destination for Australian wool) has posted a GDP of 6.3% and is expected to grow at 6.1% in 2024. In fact, India is the only major economy that is expected to grow their GDP in 2024 above their 10-year average. They have also increased the volume of wool purchased over the past year. The Euro Area posted a 0.6% GDP in 2023 and is expected to reach 0.9% GDP in 2024. Of course, we cannot forget the world's major economy, the USA, which is entering into an election year that is currently playing out in the supreme courts. As a major secondary market for wool garments, we cannot discount the impact of the US 2.4% GDP in 2023 nor the impact of significant slowing of growth the 1.5% in 2024.



Next week the offering increases to 55,660 bales (the largest offering in Australia in 11 months) and I feel that further price pressure may be applied to the larger offering next week. ~Marty Moses

Region	Centre	11/01/2024	14/12/2023	Variance	Bales Offered	Bales Sold	Pass-in%	Next Sale Offering
Northern	Sydney	1,279	1,273	6	11,834	11,168	5.6%	12,366
Southern	Melbourne	1,171	1,172	-1	26,898	24,413	9.2%	28,786
Western	Fremantle	1,325	1,343	-18	12,152	10,472	13.8%	14,508
National	AWEX EMI	1,213	1,212	1	50,884	46,053	9.5%	55,660

Moses & Son Top Price Report							
Description	District	Micron	VMB	Yield	SL	SS	Price
AAAA M	Cumnock	16.7	1.0	74.9	90	34	1508
AAA M	Cumnock	17	1.0	73.8	100	35	1420
AAAA M	Cumnock	17.1	1.0	75.3	100	40	1419
AAA M	Cumnock	17.1	0.9	73.6	96	29	1390
AA M	Cumnock	17	1.4	71.6	89	26	1330

Mulesing Declarations		
NM	10,484	20.6%
CM	1,326	2.6%
AA	16,258	32.0%
Totals	28,068	55.2%
Total weekly offering	50,884	