

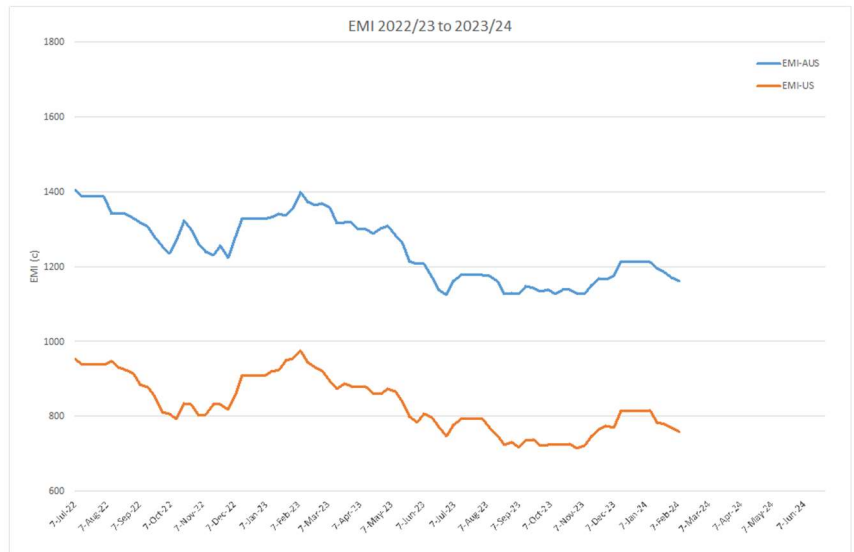


MOSES & SON

WOOLBROKERS MERCHANDISE LIVESTOCK

Week S32: 07/02/24

The AWEX EMI closed on 1163c down 8c at auction sales in Australia this week. After an early estimate that the offering this week would be 44,000 bales only 38,811 bales went under the hammer. Despite 90.2% of the offering clearing to the trade, which seems to be the long-term clearance average, the lower volumes on offer are not increasing the competitive price tension. It seems the market's downward trajectory over the past 4 sales is eroding producers' confidence in the subsequent sale week. For example, when the market closed last week, as we can see there was about 5000 bales short of the estimate offered and another 10% of the offering was passed in. This highlights the fragility of the current market demand and might explain why the EMI has progressively given back 50c since reopening in January.



MPG North	Percentile 10y	7/02/2024	31/01/2024	Variance	5 Year Average	5 year var	5 year % var
17	35.1%	1,804	1,807	-3	2,257	-453	-20.1%
18	34.2%	1,598	1,632	-34	2,034	-436	-21.4%
19	24.5%	1,414	1,411	3	1,793	-379	-21.1%
20	21.5%	1,328	1,328	0	1,645	-317	-19.3%
21	23.0%	1,328	1,317	11	1,591	-263	-16.5%
22	20.0%	1,200	1,200	0	1,552	-352	-22.7%
30	15.8%	325	332	-7	520	-195	-37.5%
EMI	25.6%	1,163	1,171	-8	1,317	-154	-11.7%

Merino Feece, as predicted, opened reasonably steady for the 18.5 μ micron and coarser, and 10-20c cheaper for the 16-18 μ combing merino lots. Competition on opening came from the Chinese indent operators, and as the market found its levels, the large trading houses stepped up their purchasing in the fleece catalogues, which saw some better competition emerge on Wednesday. The best-specified superfine lots gained larger premiums over their lower-style and specified fleece lots. Business conditions remain extremely difficult in the Merino Combing Wool sector. We usually look to February as a period where the true demand is revealed. Both exporters and early-stage processors continue to search for some confidence up the pipeline. We hope some renewed confidence emerges after the Chinese New Year holiday.

Merino Skirtings opened with a similar trend to the fleece lots, 10-20c cheaper on the 16-18 μ skirting lots and down 5-10c on the well-prepared specified skirtings. Wednesday's market was irregular, with the poorly prepared lots falling a further 10-15c whilst the best prepared and specified lots held closer to the previous day's levels.

Crossbreds came under pressures from an increase in supply this week with relatively small downward price pressures eroding prices slightly on Tuesday. Wednesday's offering was similar in total numbers, however, increased exporter competition on Wednesday in the crossbred sector saw prices strengthen slightly. Purchasing was dominated by a Chinese trading exporter and supported by Chinese indent operators and trading exporters.

Merino Cardings remained unchanged early in the week and like the crossbred sector Merino Cardings have found a price level it is comfortable trading at. The past few weeks has seen the NMC trading around 701c just 22c above its 3-year low.



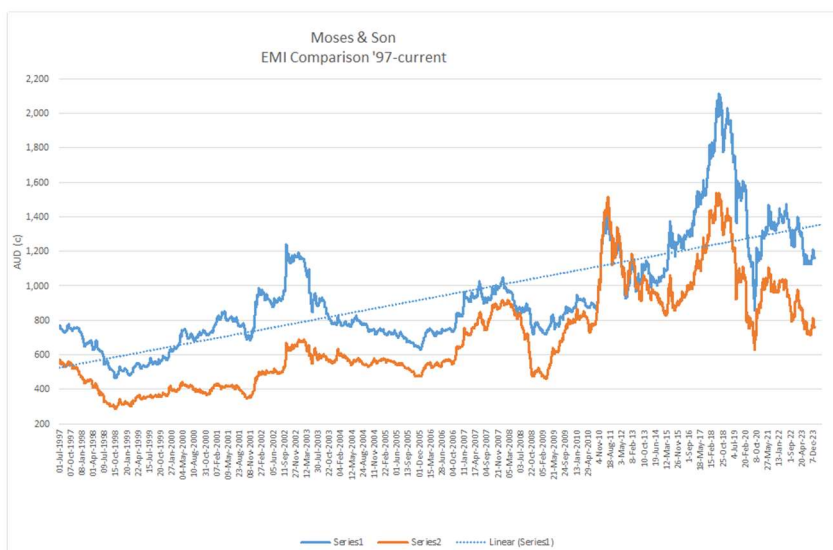
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Commentary: The Chinese New Year holiday period commenced this week and we are currently in “the Little Year” Feb 2 – Feb 9 which is a period of preparation for the Chinese New Year on the 10th Feb. “The Spring Festival” runs from Feb 10th-20th Feb, and then the final period of the CNY is titled “the Lantern Festival” which runs from the 21st to the 24th Feb. This year is the year of the Wood Dragon.

Next week the quantity is expected to rise to 43,624 bales nationally, with Melbourne extending to three selling days to accommodate the increase in the offering.

The early market intelligence indicates that 18.5µ and coarser fleece and skirtings will hold pretty close to the current levels. Whilst the 16.5-18 µ MPG’s are a little harder to predict, I would be nervous of the lower style and poorly prepared lots in this category. Crossbreds and cardings should also remain unchanged to slightly firmer.



Mulesing Declarations		
NM	9,203	23.7%
CM	1,388	3.6%
AA	12,191	31.4%
Totals	22,782	58.7%
Total weekly offering	38,811	

Moses & Son Top Price Report							
Description	District	Micron	VMB	Yield	SL	SS	Price
AA M WNS	Temora	16.2	1.0	66.2	76	37	1290
AAA M WNS	Temora	16.5	1.3	69.4	70	47	1280
AAAA M	Lockhart	17.6	0.4	69.2	92	39	1142
AAA M	Lockhart	17.2	0.6	65.4	86	24	1117
AAA M	Lockhart	17.5	0.4	66.9	87	37	1115

Region	Centre	7/02/2024	31/01/2024	Variance	Bales Offered	Bales Sold	Pass-in%	Next Sale Offering
Northern	Sydney	1,212	1,220	-8	10,760	9,967	7.4%	9,684
Southern	Melbourne	1,131	1,138	-7	20,094	17,698	10.6%	25,533
Western	Fremantle	1,291	1,301	-10	7,957	7,060	11.3%	8,407
National	AWEX EMI	1,163	1,171	-8	38,811	34,995	9.8%	43,624