

Bear in a bull market

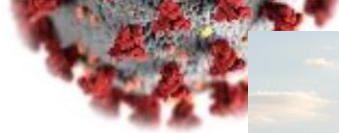
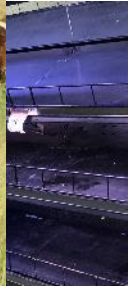
Macro trends shaping the Australian livestock market

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10 November 2022,



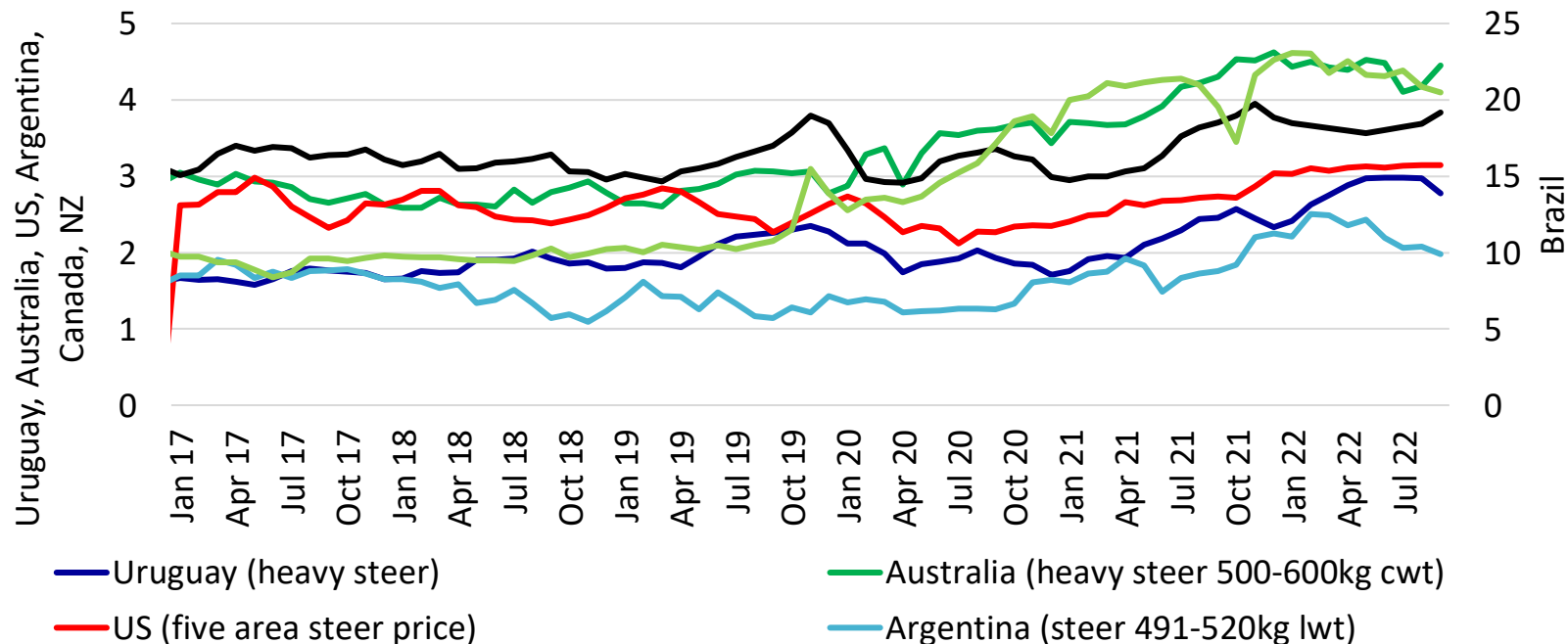
2022 was going to be a good year



All cattle prices have gone up



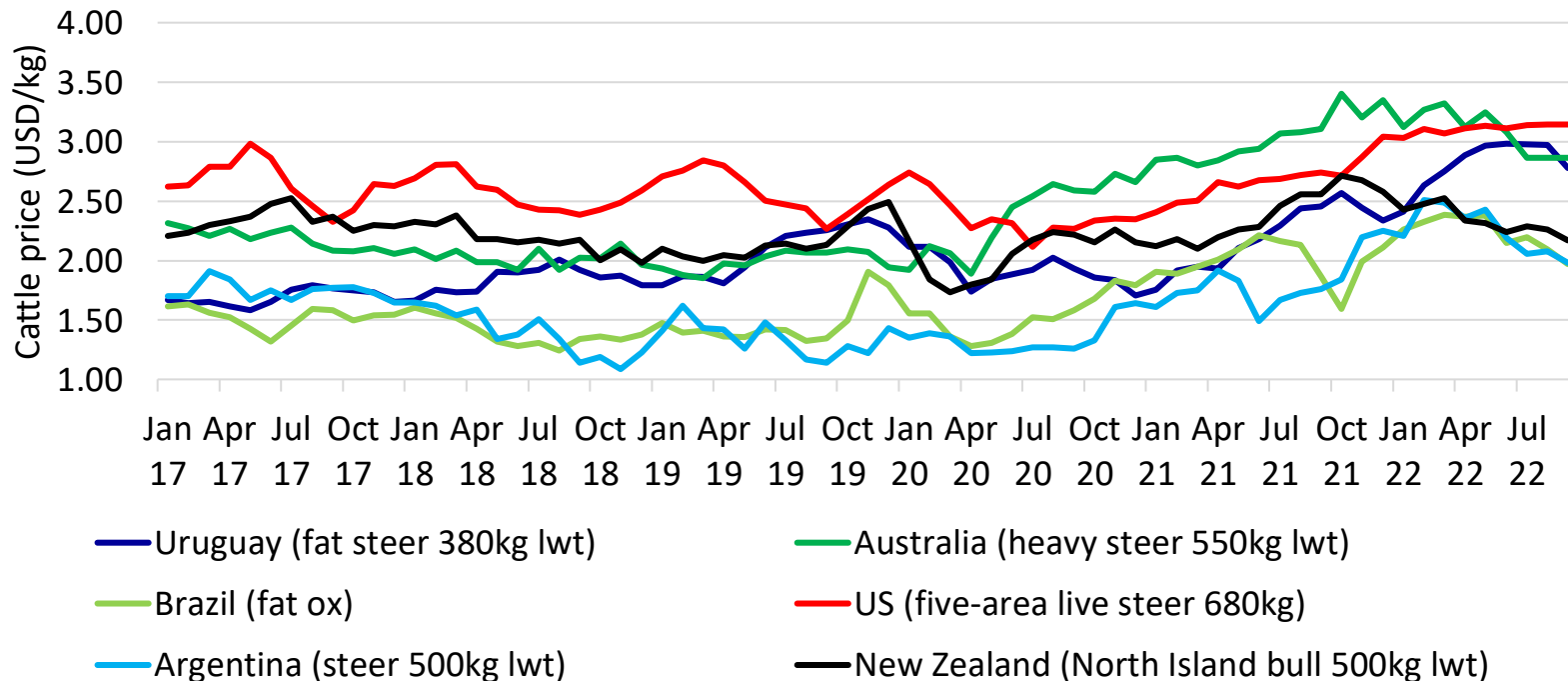
Cattle price (local currency/kg)



All cattle prices have gone up



Global cattle prices (USD/kg)



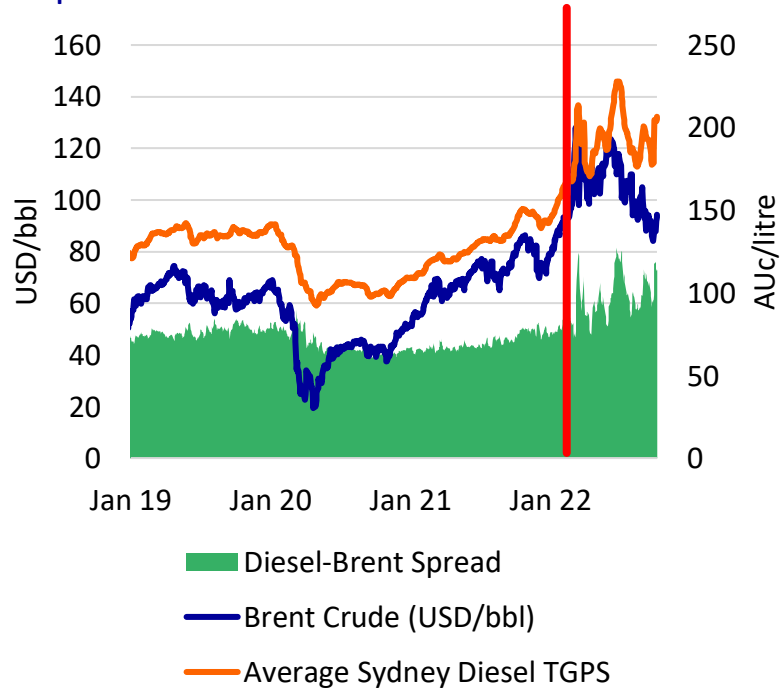
But then came the (Russian) bear



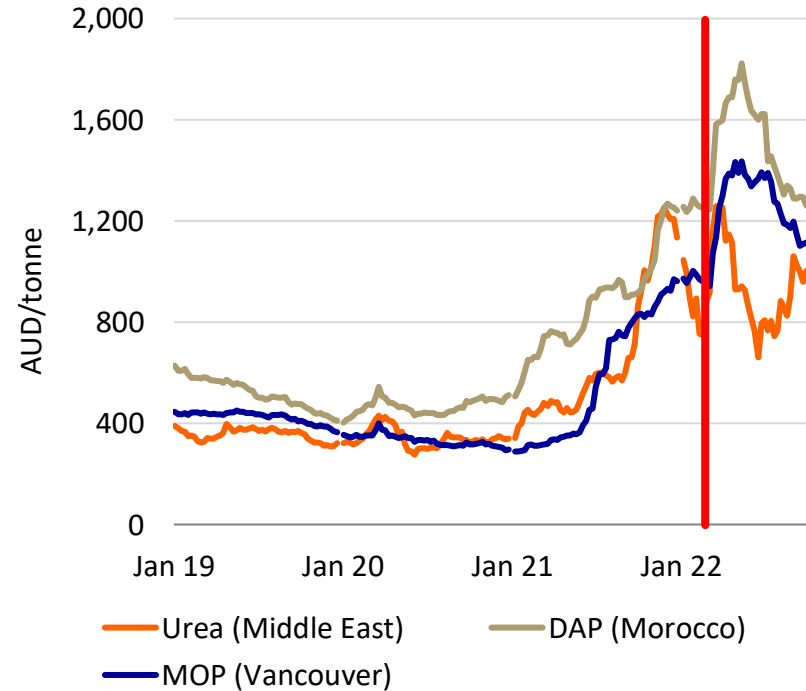
Russian influence on global resources has driven energy costs higher – many breaking records



Fuel prices rise



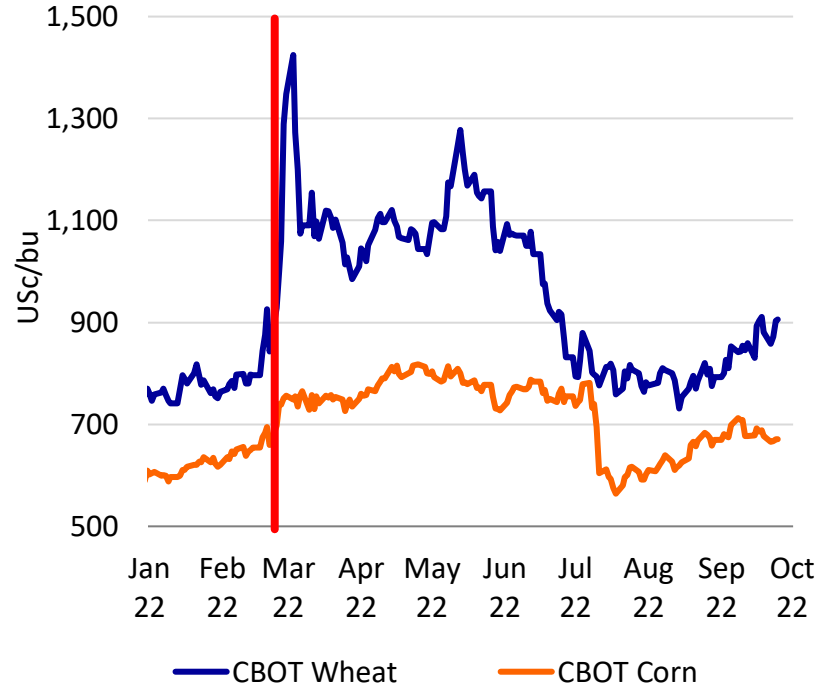
Gas and fertiliser prices rise



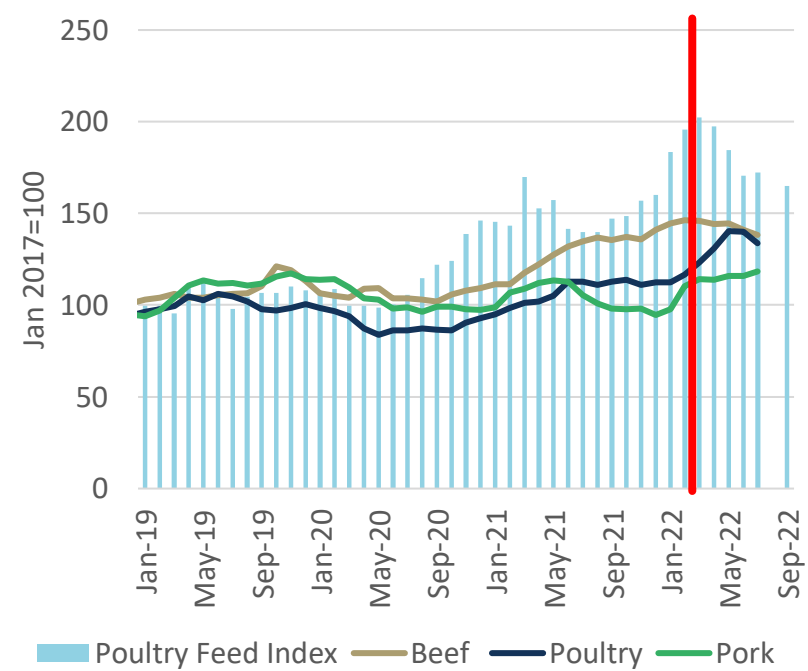
Russian influence on global resources has driven food/feed costs higher



Global grain prices jump



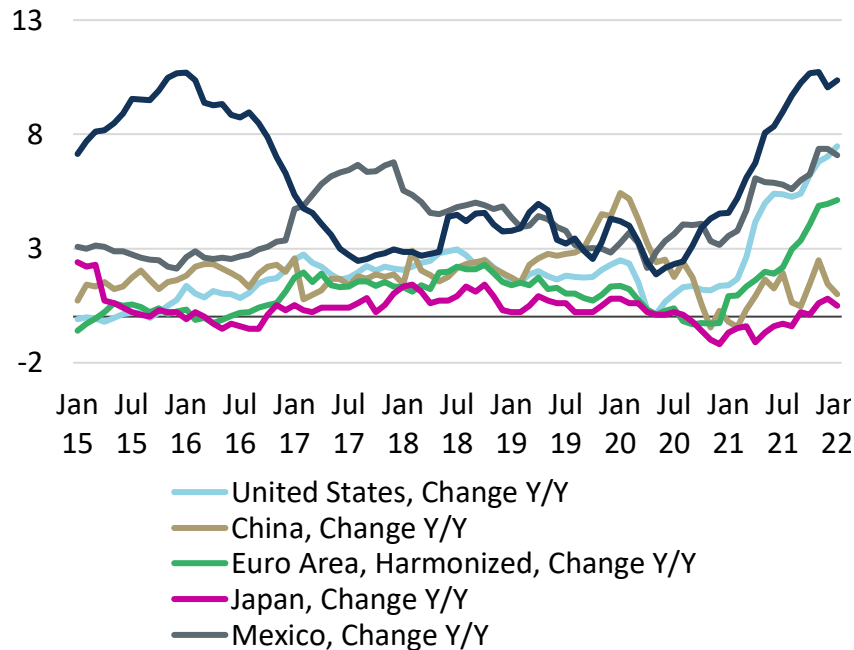
Feed costs pushing up protein prices



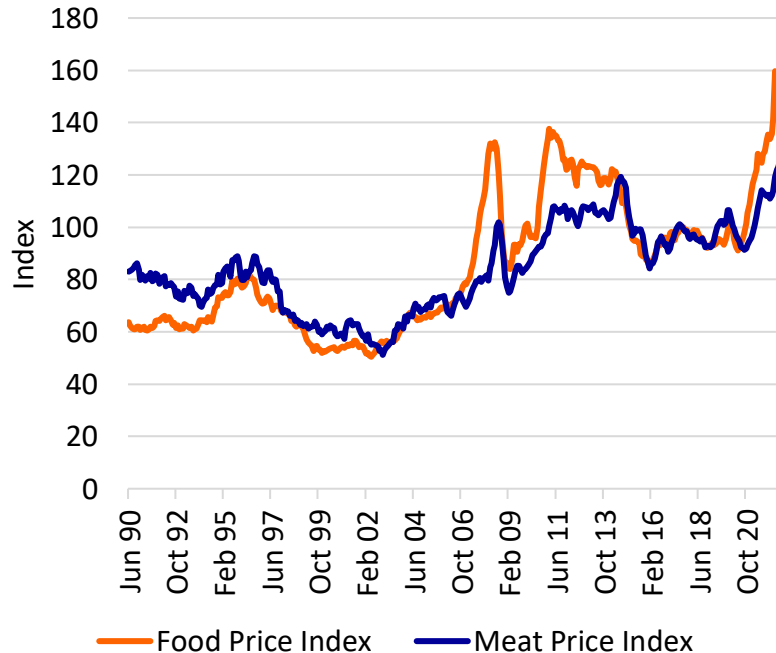
Strong consumer demand, limited supplies and now increased costs drive inflation higher



Global inflation rates jump



Meat has been part of the inflation story

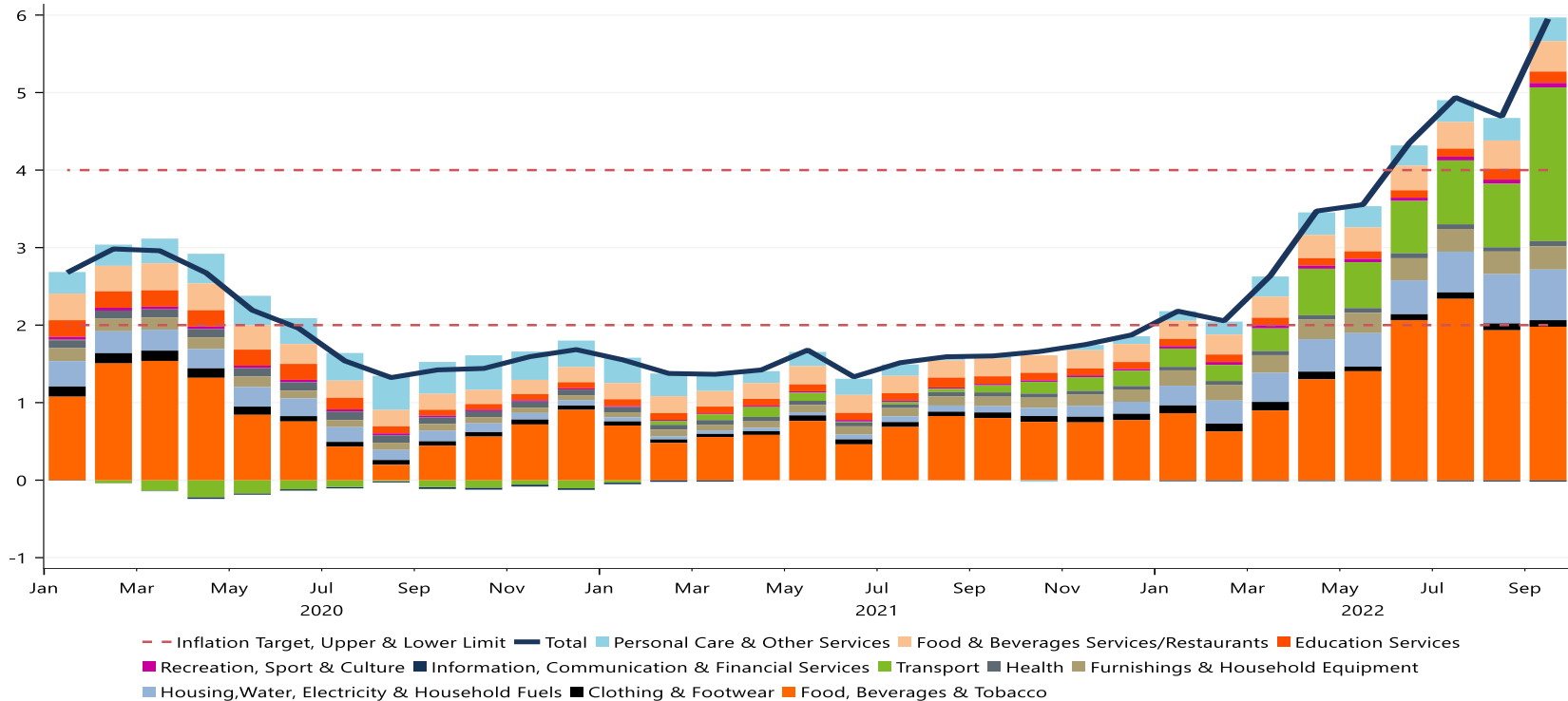


A fragility to food markets in Emerging Asia

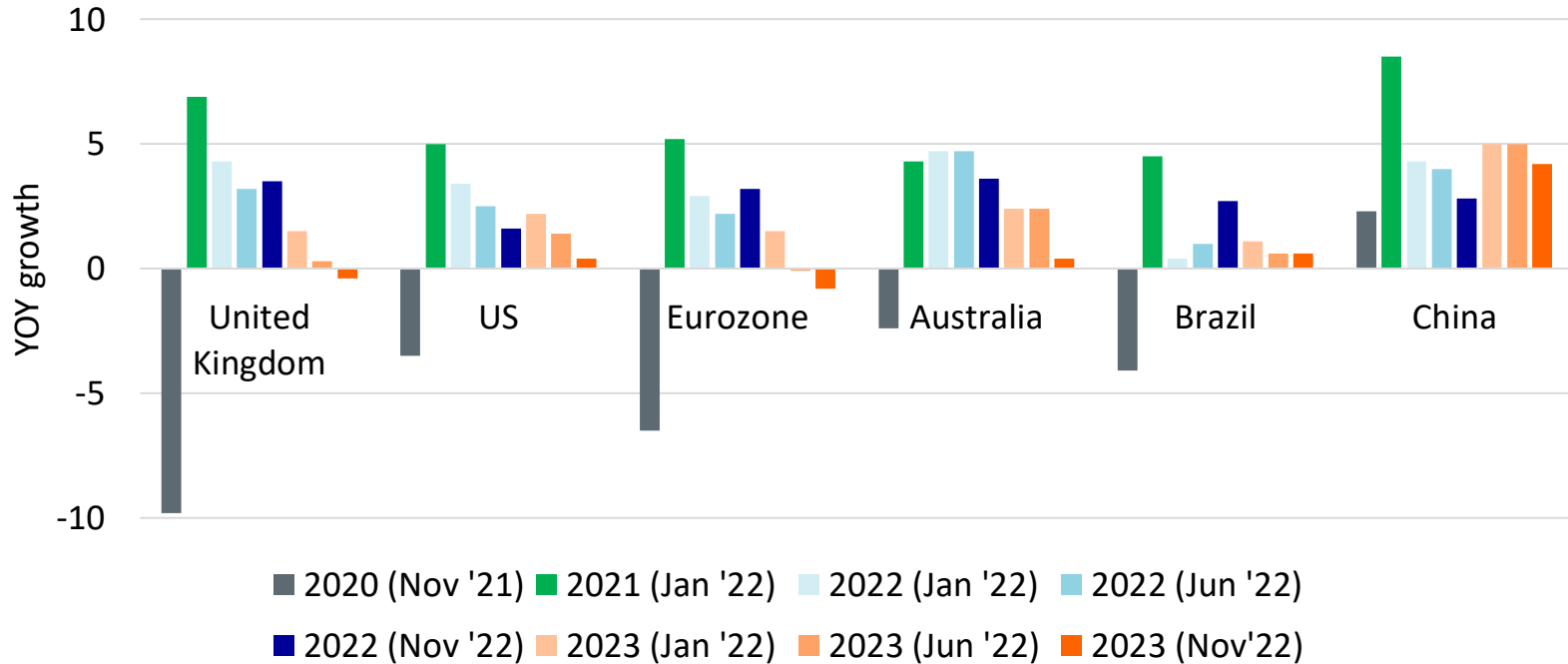


Indonesia Consumer Price Index

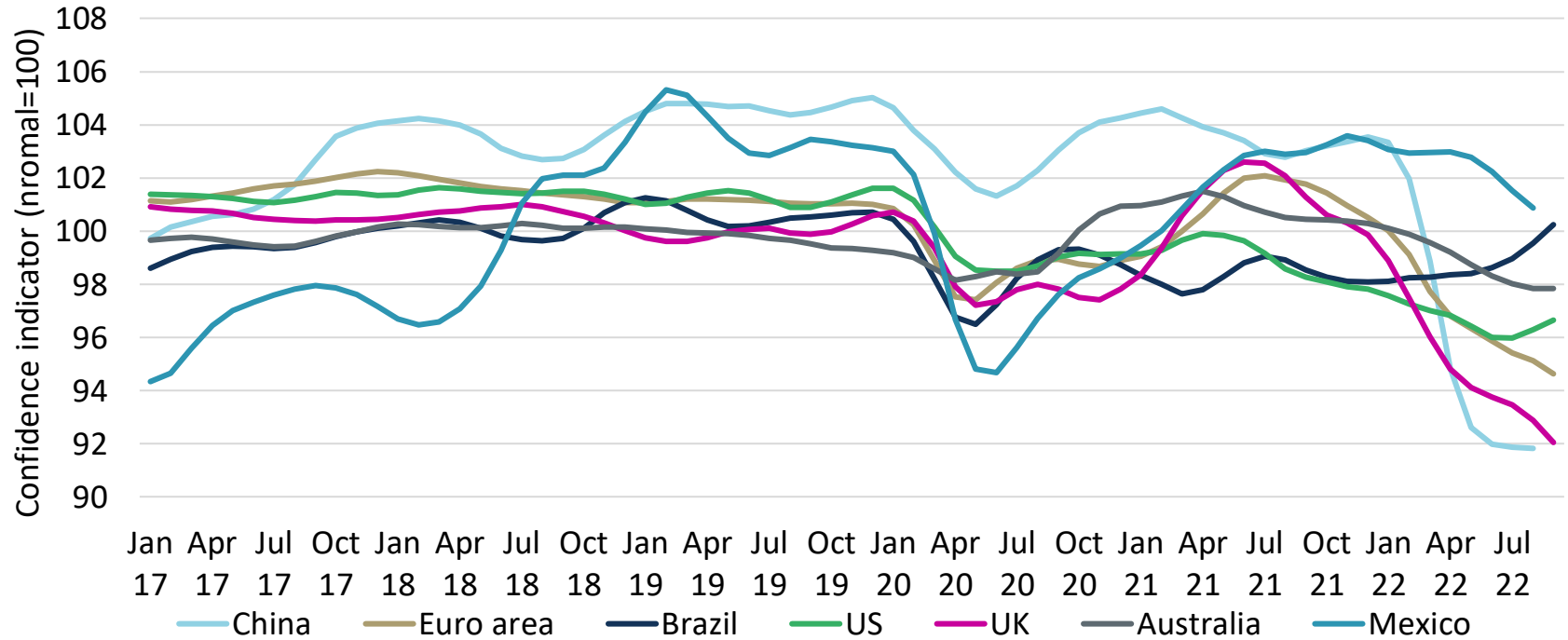
Statistics Indonesia (Badan Pusat Statistik, BPS), Bank Indonesia



Things were looking good, recovering from covid But then . . .



Uncertainty and cost increases led to falls in consumer confidence



The wind has come out of the sail

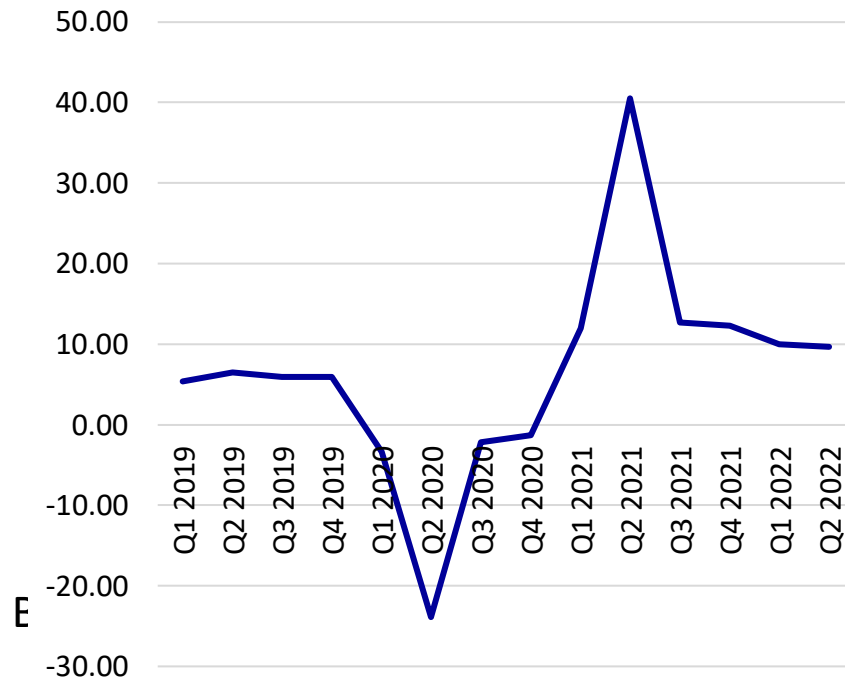


Starting to see the impact at the retail level

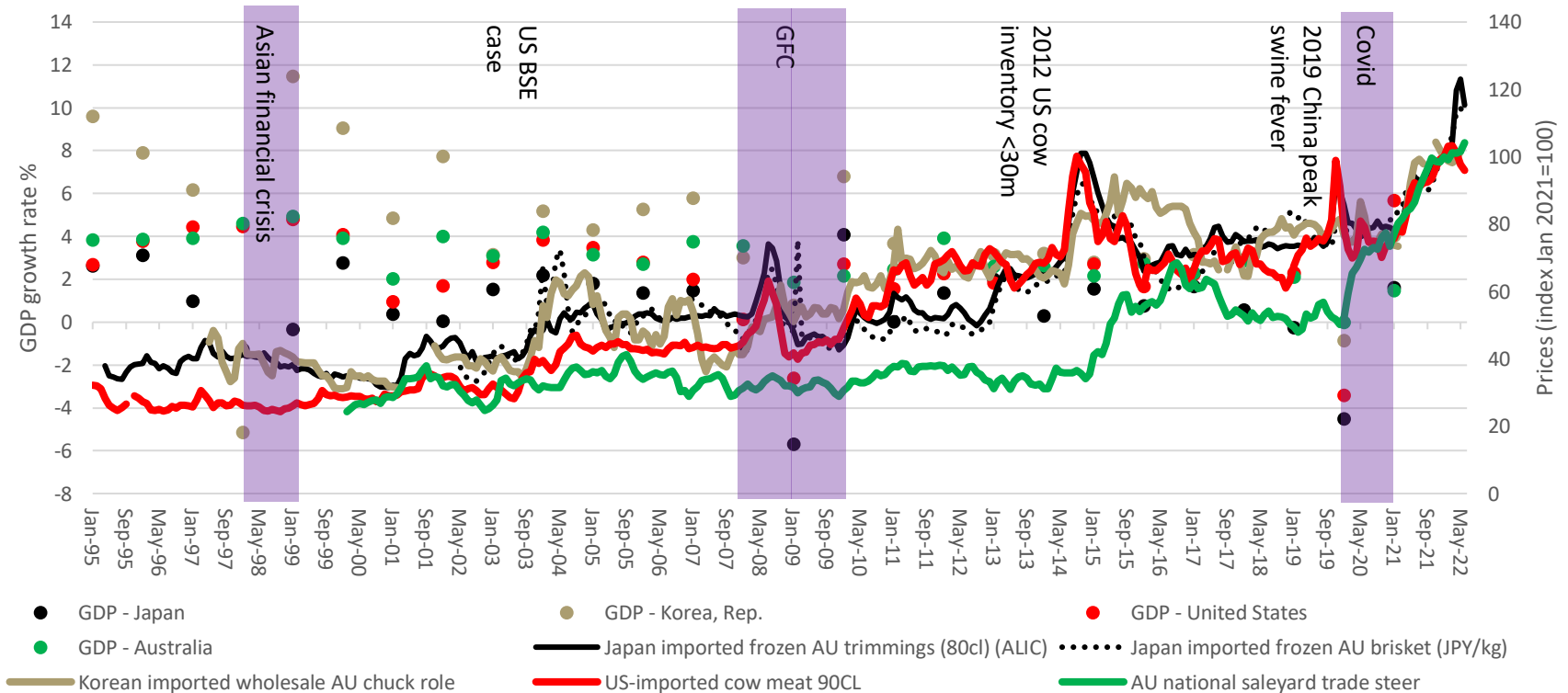
Yum China, same-store sales growth (%)



McDonald's global same store sales growth (%)



Economic activity appears to have little impact on global beef prices



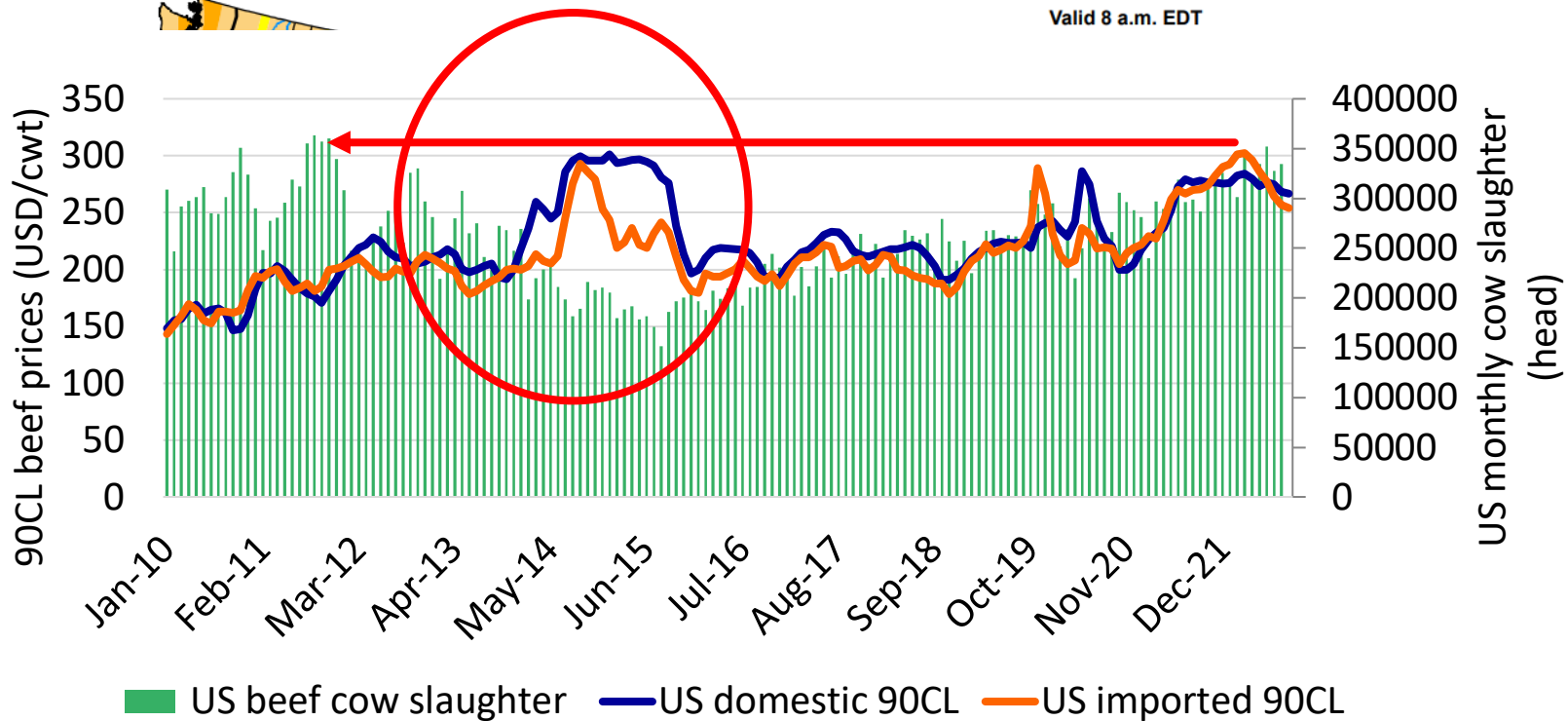
Looking to the horizon



Current US cow slaughter suggests we are going to see a repeat of 2014 price rises

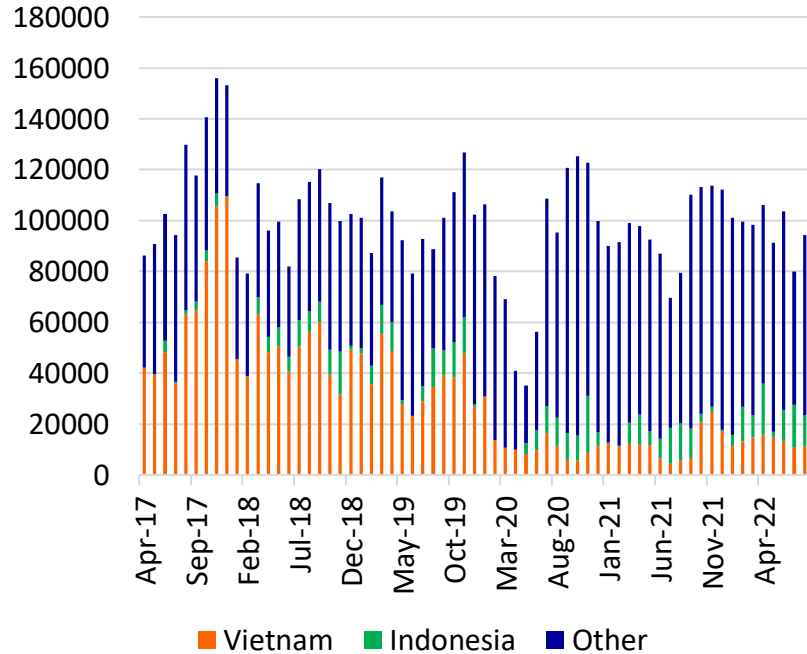
U.S. Drought Monitor

November 1, 2022
(Released Thursday, Nov. 3, 2022)
Valid 8 a.m. EDT

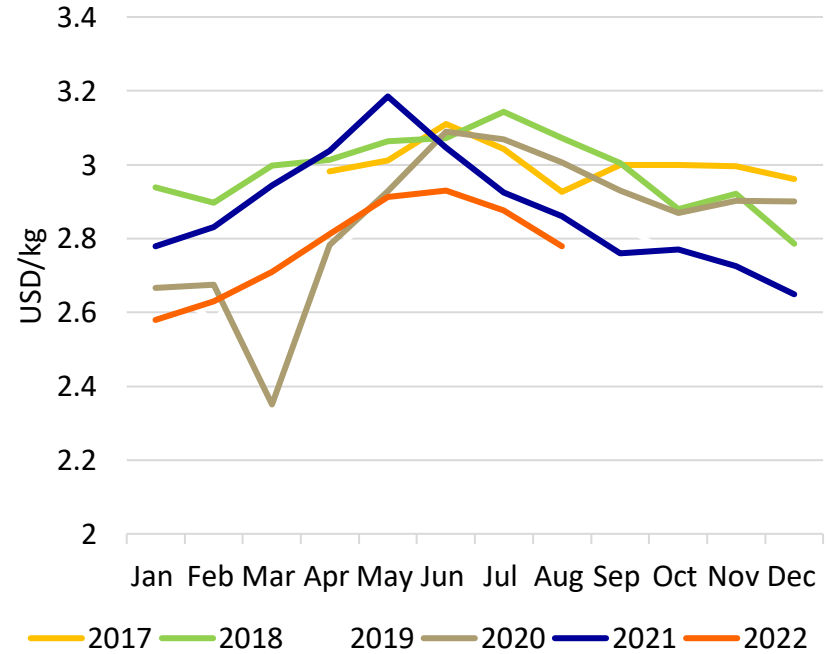


Could Indian bovine exports contract?

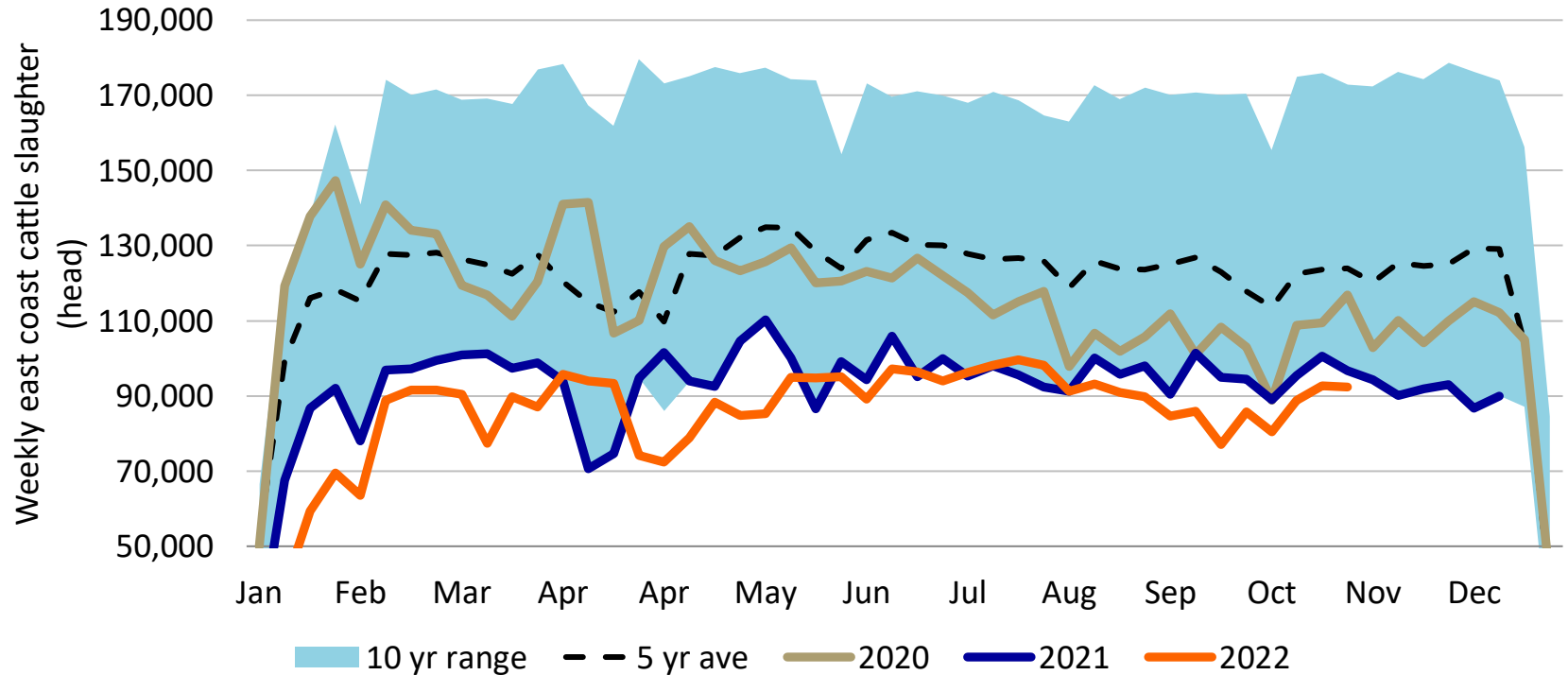
Buffalo export volumes picking up



Per unit export values lowest in 5 years



Australian cattle herd rebuild slow but processing capacity limited



Geopolitical tensions and China's role in global trade



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