



JEMALONG WOOL BULLETIN

(week ending 02/04/2004)

Table 1: Northern Market Prices

Micron Price Guides	Current MPG Price	Weekly Change	10-yr Average	Current Price to Average	This time last year	Year high	Year low
Northern Ind	775	-14	766	101%	1096	945	774
18.5	985	0	1160	85%	1279	1088	846
19	948	-2	1049	90%	1247	1053	889
19.5	903	-14	1018	89%	1226	1047	877
20	857	-28	833	103%	1209	1036	857
21	803	-23	744	108%	1196	1035	803
22	779	-15	702	111%	1185	1034	778
23	755	-18	663	114%	1157	1029	755
24	727	-21	644	113%	1093	1015	727
25	697	-5	613	114%	982	938	675
26	647	-4	582	111%	943	880	636
28	524	-7	524	100%	725	647	494
30	456	-12	473	96%	593	550	418
32	402	-15	451	89%	528	510	373
MC	408	-10	415	98%	576	514	405

Australian Dollar 0.7616 as of Fri-02-Apr-2004

NORTHERN REGION MARKET REPORT

Auction sales were again held in Sydney, Fremantle and Melbourne this week with a relatively large offering of approximately 85,000 bales nation-wide. This week was the last week of sales before a two week recess for Easter.

Sales opened in Sydney on Tuesday and prices were again lower across all merino fleeces. Prices were generally around 10c/kg clean lower. Merino skirtings were also lower with high vm lots the most affected. Crossbred fleeces were also cheaper, closing around 10-20c/kg clean lower.

Prices eased slightly again on Wednesday. Merino fleece prices were generally down 5-15c/kg clean. For fleeces 19 micron and finer, the better style lots, 40nkt+ remained firm while 35nkt and less lots were tending cheaper. Crossbred fleece prices fell a further 5c/kg clean while merino skirtings were around 5c/kg clean cheaper.

On Thursday 19 micron and finer fleece prices rose 10c/kg clean as a result of strong demand for better style, 40nkt+ lots. 20 micron and broader merino fleece prices were generally unchanged while crossbred prices rose around 5c/gk clean. Better style, low vm skirts remained firm while high vm lots were 10c/kg clean lower.

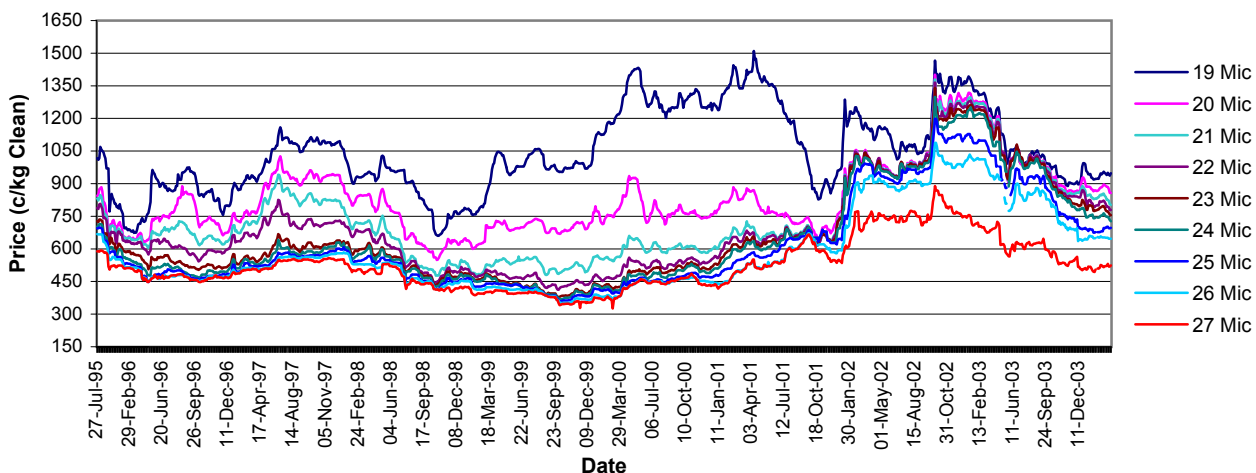
The offerings over the last two weeks have been relatively large and combined with a two cent rise in the Australian dollar this week seems to have placed downward pressure on prices. However buyer demand continues to remain the single biggest influence over wool prices.

The ABS released a snapshot of Australian wool exports on Wednesday that shows for the season to date wool exports have fallen by 22% in comparison to the same period 12 months ago. Exports have fallen sharply to the two biggest buyers of Australian wool, China (-25%) and Italy (-23%). Given the uncertainty of future demand and the volatility of wool prices growers should consider looking at forward coverage for at least a portion of their clip. Forward quotes for 12 months out and beyond from Macquarie Bank show that growers can achieve premiums to today's prices for all microns, particularly for 20 micron and finer. Not only are forward quotes trading at a premium to today's prices, but for 20 micron and broader, for April 2005 for example, the quotes are trading in the top 30% of all prices since 1995.

There are no sales for the next two weeks over the Easter recess. Sales resume in Sydney, Melbourne and Fremantle in the week beginning 19 April.

Comments: Phil Roberts (Wooltrade).

Micron Price Guide Movement 1995-2004



Source: AWEX, SFE, Macquarie Bank

Disclaimer: While all due care has been taken in preparation of this document, no responsibility is taken by "broker" or its staff for the accuracy of the information contained herein.



JEMALONG WOOL BULLETIN

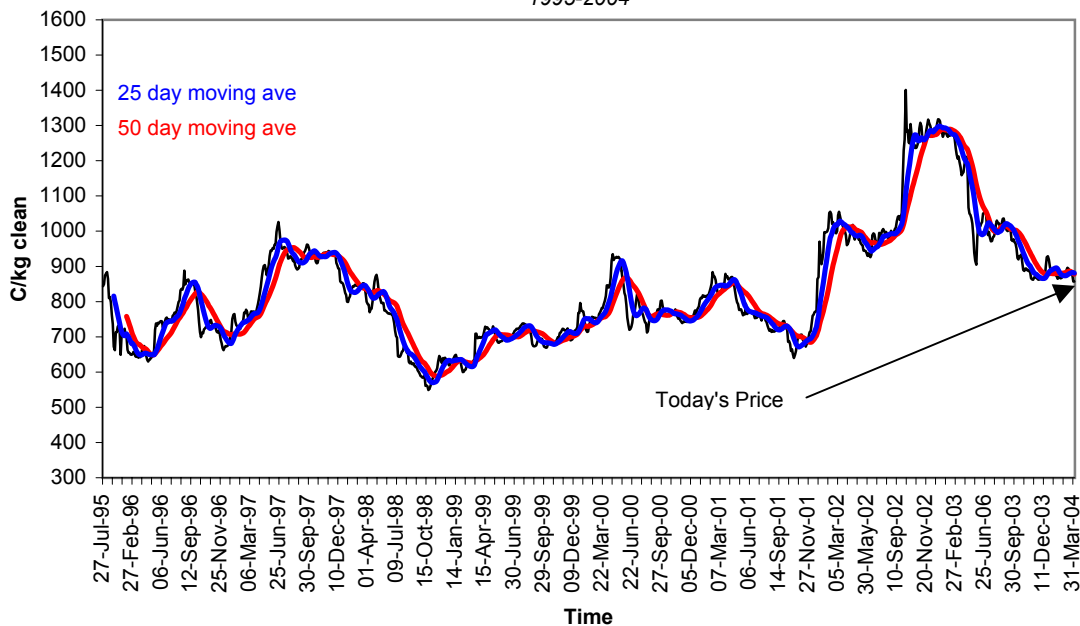
(week ending 02/04/2004)

Table 3: Northern Market Deciles

Micron Price Guide (1995-2003)

	19	20	21	22	23	24	25	26	28	MC
Current	948	857	803	779	755	727	697	647	524	408
90%	800	657	526	472	438	431	421	396	341	270
80%	899	702	563	510	487	471	453	431	377	298
70%	943	730	619	552	515	495	472	454	401	344
60%	973	758	650	617	551	521	497	478	435	378
50%	1022	781	676	645	589	565	542	506	454	424
40%	1075	848	717	676	624	603	571	524	472	446
30%	1137	894	828	732	662	653	644	550	490	467
20%	1249	953	925	928	913	884	817	611	514	491
10%	1333	1022	1017	1019	1008	996	964	723	569	575

20 Micron -North
1995-2004





JEMALONG WOOL BULLETIN

(week ending 02/04/2004)

Macquarie Wool Futures

Delivery Month	18	19	Diff. to Spot	20	Diff. to Spot	21	Diff. to Spot	22	Diff. to Spot	23	Diff. to Spot	24	Diff. to Spot	25	Diff. to Spot	XB	Diff to Spot
Apr-04	1035	950	2	860	3	815	12	775	-4	750	-5	720	-7	675	-22	510	-14
Jun-04	1045	965	17	870	13	815	12	770	-9	745	-10	715	-12	675	-22	510	-14
Aug-04	1050	970	22	870	13	815	12	770	-9	745	-10	715	-12	675	-22	510	-14
Oct-04	1060	975	27	875	18	825	22	775	-4	750	-5	720	-7	675	-22	515	-9
Dec-04	1090	995	47	885	28	835	32	795	16	755	0	730	3	675	-22	515	-9
Feb-05	1100	1015	67	900	43	850	47	805	26	765	10	735	8	685	-12	515	-9
Apr-05	1105	1025	77	910	53	860	57	815	36	770	15	740	13	695	-2	515	-9
Jun-05	1110	1035	87	910	53	855	52	815	36	770	15	740	13	700	3	515	-9
Aug-05	1115	1040	92	915	58	860	57	815	36	770	15	740	13	700	3	515	-9
Oct-05	1130	1040	92	925	68	860	57	815	36	770	15	740	13	700	3	515	-9
Dec-05	1155	1040	92	925	68	860	57	820	41	770	15	740	13	700	3	515	-9
Feb-06	1170	1045	97	925	68	865	62	820	41	770	15	740	13	700	3	520	-4

