



JEMALONG WOOL BULLETIN

(week ending 1/06/2006)

Table 1: Northern Market Prices

Micron Price	Current	Weekly	10-yr	Price as %	This time		
Guides	Price	Change	Average	of Ave	last year	Year high	Year low
North Ind	742	-4	761	97%	737	770	642
18	1080	-4	1338	81%	1020	1088	900
18.5	1032	-3	1064	97%	982	1038	832
19	975	0	1026	95%	914	979	779
19.5	909	-7	1018	89%	856	923	736
20	835	-4	830	101%	812	859	684
21	751	-6	747	101%	755	784	657
22	714	-7	707	101%	727	761	648
23	692	2	671	103%	715	750	640
24	677	6	650	104%	671	708	631
25	638	0	615	104%	608	645	588
26	588	5	582	101%	554	589	536
28	472	8	517	91%	472	795	424
30	423	7	467	91%	431	444	390
32	389	1	442	88%	403	408	369
MC	438	-1	417	105%	443	467	380

NORTHERN MARKET REPORT -

Australian Dollar 74.87 US as of 01/06/2006

Sales this week were held in Melbourne, Sydney and Fremantle with a slightly larger offering of approximately 63,500 bales in auctions nationally.

Sales opened in **Melbourne on Tuesday** with 9,495 bales offered (1,595 bales or 16.8% were reoffered lots). The market was generally softer after positive gains over the past few weeks. 19-21 mic fleeces were the most affected and fell by 15-20 cents while other microns lost around 5-8 cents. Crossbred fleeces were closed the day around 8-10 cents lower. Merino skirtings and oddments lost 5-10 cents. **Passed in rate:** 26.6%. **Major Buyers:** Itochu, Fox & Lillie, Kathaytex, Techwool, Chargeurs, Sky Wool and Modiano.

In Melbourne on Wednesday there were 10,037 bales offered (1,756 bales or 18.2% were reoffered lots). The Southern market continued to ease with the broader merino fleeces recording the biggest falls of around 5 cents. 19.5 mic and finer fleeces recorded small losses of 1-2 cents. 28-30 microns posted strong gains while other crossbred fleeces were generally unchanged. Merino skirtings and oddments were generally unchanged. **Passed in rate:** 14.4%. **Major Buyers:** Itochu, Techwool, Fox & Lillie, AS Gedge & Modiano.

The market continued to ease in **Melbourne on Thursday** where there were 12,689 bales offered (2,081 bales or 16.4% were reoffered lots). The majority of the merino fleeces, 19.5-22 microns, lost a further 5 cents while the finer and broader end remained steady. There was very little movement in prices for crossbreds which finished generally unchanged. Merino skirtings and oddments closed steady to slightly firmer.

Passed in rate: 17.6%. **Major Buyers:** Itochu, Fox & Lillie, Techwool, Williams Wool, AS Gedge and Sky Wool.

The Sydney market opened on Wednesday with the market following Melbourne's lead. 7,843 bales were offered (1,254 bales or 16% were reoffered lots). 17-18.5 mic fleeces were 5 cents cheaper, 19.5-22 microns were 5-10 cents lower while other microns were generally unchanged. Prices for the better style, higher Nkt lots were less affected. Crossbred fleece prices remained firm for the day. Merino skirtings were firm while oddments eased slightly by 5 cents. **Passed in rate:** 13.2%. **Major Buyers:** Techwool, AS Gedge, Chargeurs, BWK Elders, Moerpen and Southern Cross.

On Thursday the Sydney market finished the week on a slightly firmer note. There were 8,198 bales offered (1,418 bales or 17.3% were reoffered lots). All microns received good competition to close firm with the higher Nkt, low vm lots closing 5-10 cents dearer. Prices for crossbred fleeces were 5 cents higher. Merino skirtings and oddments also finished the week firm. **Passed in rate:** 15.0%. **Major Buyers:** Techwool, Morepen, Itochu, Chargeurs, Modiano and AS Gedge.

In Fremantle sales on Wednesday resumed with 8,434 bales offered (2,421 bales or 28.7% were reoffered lots). Prices fell heavily in the west with 19.5-22 microns losing 10-15 cents while other microns were 5 cents cheaper. Merino skirtings closed 10 cents lower while locks and crutchings were unchanged. Better length lambs were 10 cents firmer. **Passed in rate:** 23.0%. **Major Buyers:** PJ Morris, Modiano, Itochu, Startoy, Michell & BWK Elders.

Fremantle on Thursday offered 8,678 bales (2,352 bales or 27.1% were reoffered lots) with most microns posting solid gains. 19-20 microns rose by 5-10 cents while the broader end was 1-5 cents dearer. Merino skirtings received good support and closed 5 cents higher, while oddments were up to 10 cents dearer. **Passed in rate:** 21.8%. **Major Buyers:** Modiano, PJ Morris, BWK Elders, Itochu, Michell and Startoy. The market seems to be very sensitive to the amount of wool available in auction at the moment. In the past month the market has struggled whenever the national offerings have been greater than 60,000 bales, and the market has performed strongly for weekly offerings of less than 60,000 bales. June is typically a tough month for selling wool, however with smaller offerings listed for the next month **hopefully we will see the market at least hold these levels.**

Next Week: Sales continue next week in Melbourne and Sydney, while Fremantle will have a one week recess. As a result there will be a much smaller national offering next week with approximately 40,000 bales currently rostered for sale.

Wooltrade will continue to offer an extra string to growers' bows, and provides benefits from constant market exposure, particularly with the recent favourable market conditions (which may not last for the long term). Please consider the opportunities that are available by listing on Wooltrade with a targeted selling strategy. This may require some consultation with your local representative.

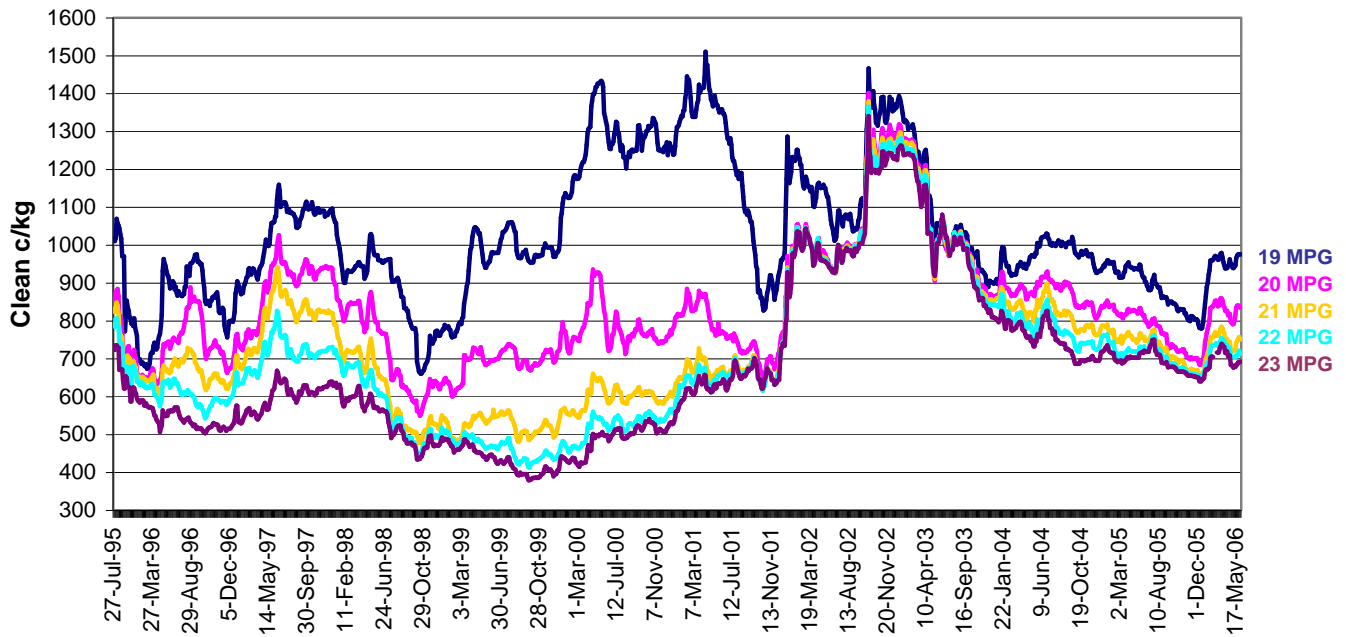
(Comments: Brian Vagg - Wooltrade)

Source: AWEX, Commonwealth Bank of Australia, National Australia Bank, Sydney Futures Exchange.

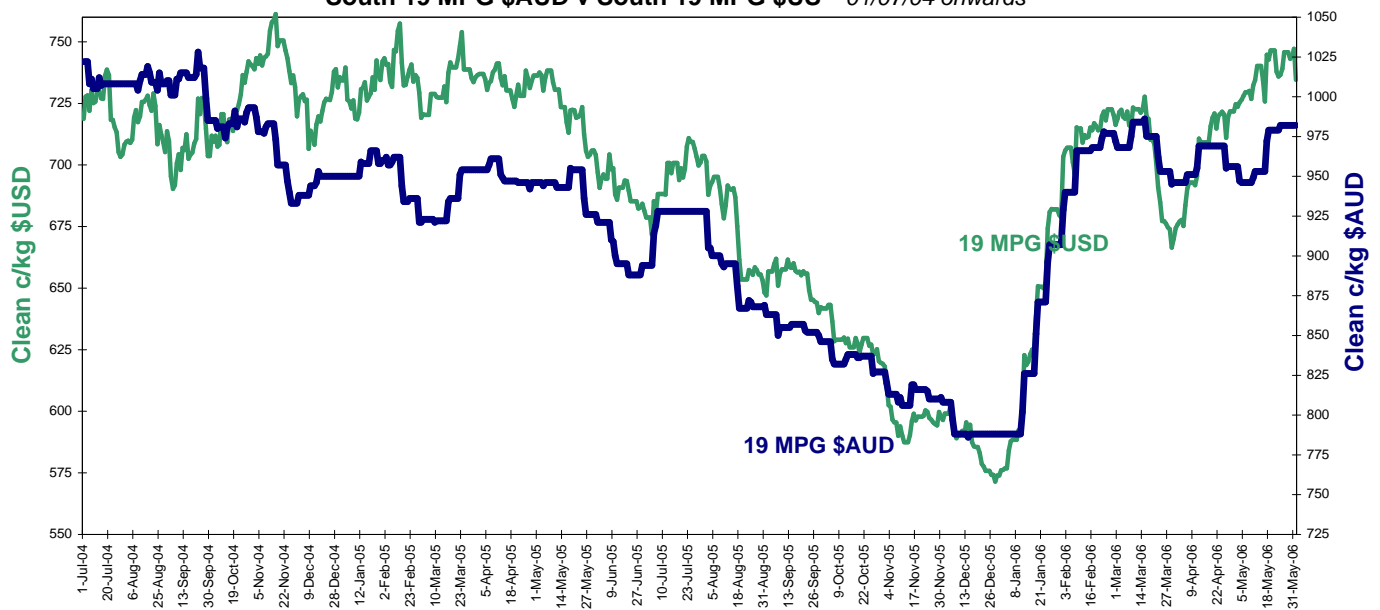
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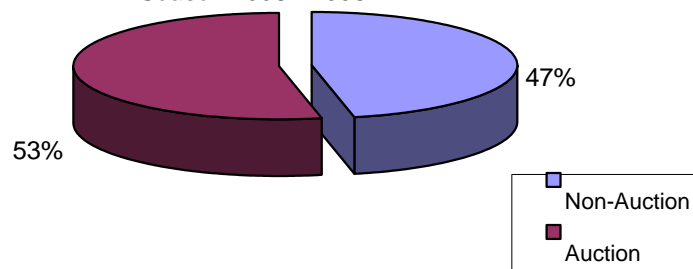
Nth Micron Price Guide Movement 1995-2006



South 19 MPG \$AUD v South 19 MPG \$US - 01/07/04 onwards



Wooltrade Sales - Auction & Non-auction Days Season 2005 - 2006



This pie chart shows that close to 50% of all wool sold on Wooltrade occurs on NON AUCTION days.

Please consider the opportunities available by having constant market exposure and list your wool on Wooltrade.

Source: AWEX, Commonwealth Bank of Australia, National Australia Bank, Sydney Futures Exchange.

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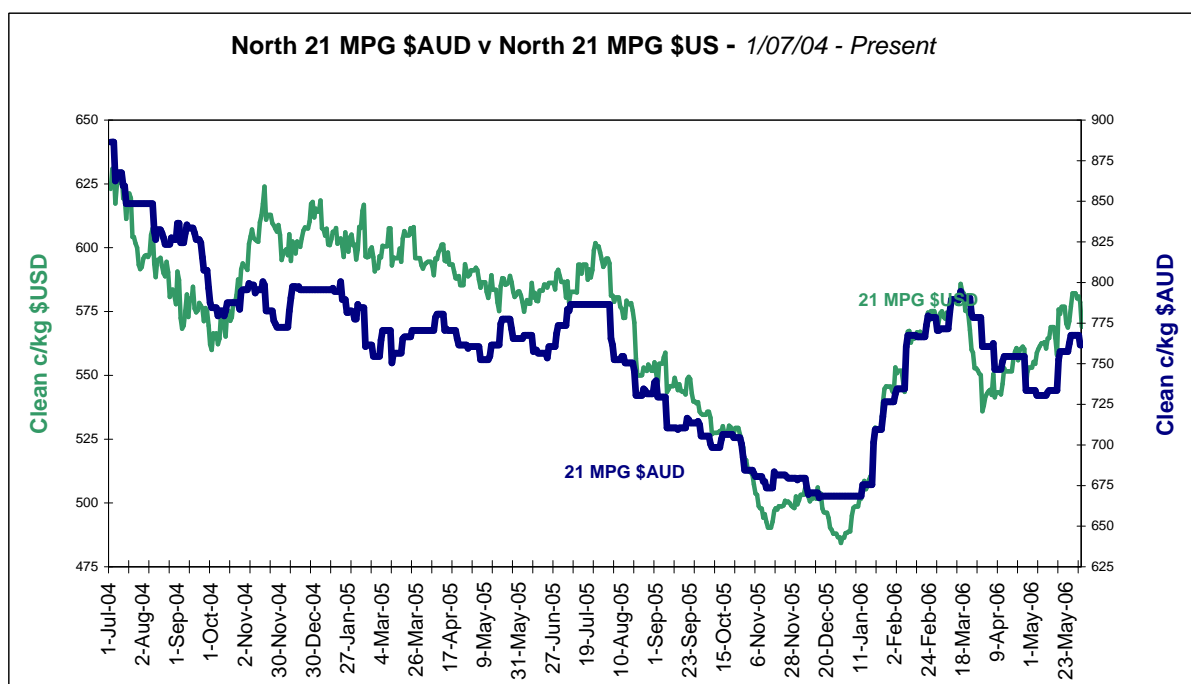
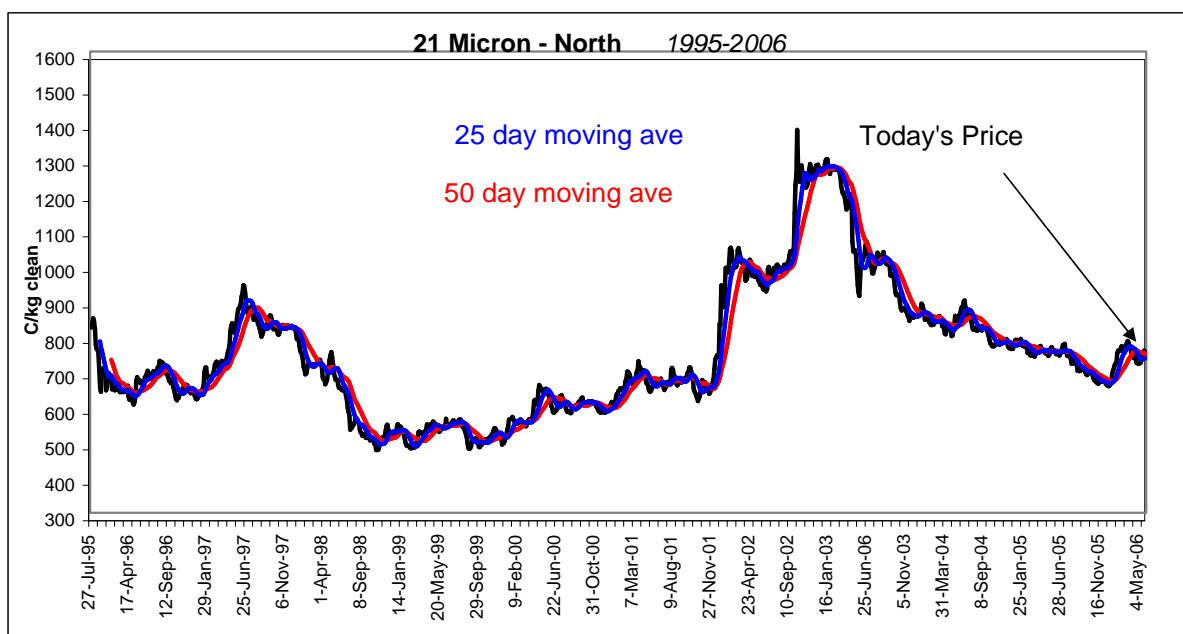


JEMALONG WOOL BULLETIN

(week ending 1/06/2006)

Table 2: Northern Market Deciles

Micron Price Guide (1995-2006)										
	19	20	21	22	23	24	25	26	28	MC
Current	975	835	751	714	692	677	638	588	472	438
90%	810	672	536	477	450	440	432	401	343	281
80%	889	713	598	534	503	481	462	439	383	326
70%	931	738	645	600	534	512	484	460	395	370
60%	957	766	671	644	587	563	540	472	413	403
50%	980	810	707	674	629	607	578	495	435	427
40%	1028	841	752	714	670	654	601	518	455	438
30%	1087	879	816	742	710	679	641	541	478	453
20%	1206	930	866	830	801	753	693	581	500	479
10%	1315	1004	1001	998	993	981	943	705	560	541



Source: AWEX, Commonwealth Bank of Australia, National Australia Bank, Sydney Futures Exchange.

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JEMALONG WOOL BULLETIN

(week ending 1/06/2006)

Table 3: National Australia Bank - Wool Swaps

NAB Wool Swaps																
01-Jun-2006																
Month	18 MIC	Prem/ Disc	19 MIC	Prem/ Disc	20 MIC	Prem/ Disc	21 MIC	Prem/ Disc	22 MIC	Prem/ Disc	23 MIC	Prem/ Disc	24 MIC	Prem/ Disc	28 MIC	Prem/ Disc
May-06	1055	-25	965	-10	840	+5	755	+4	690	-24	675	-17	660	-17	415	-57
Jun-06	1065	-15	970	-5	838	+3	757	+6	695	-19	675	-17	660	-17	417	-55
Jul-06	1075	-5	975	0	845	+10	765	+14	700	-14	680	-12	661	-16	425	-47
Aug-06	1085	+5	980	+5	848	+13	767	+16	705	-9	680	-12	661	-16	425	-47
Sep-06	1092	+11.5	985	+10	850	+15	770	+19	710	-4	680	-12	661	-16	426	-46
Oct-06	1097	+16.5	988	+12.5	853	+18	775	+24	715	+1	680	-12	661	-16	426	-46
Nov-06	1099	+19	990	+15	855	+20	780	+29	719	+5	685	-7	661	-16	426	-46
Dec-06	1103	+22.5	993	+17.5	855	+20	780	+29	723	+9	690	-2	662	-15	425	-47
Jan-07	1105	+25	995	+20	865	+30	783	+32	727	+13	695	+3	662	-15	418	-54
Feb-07	1109	+29	1000	+25	868	+33	785	+34	729	+15	700	+8	662	-15	418	-54
Mar-07	1113	+32.5	1005	+30	870	+35	785	+34	734	+20	700	+8	662	-15	418	-54
Apr-07	1117	+36.5	1005	+30	873	+38	785	+34	736	+22	698	+6	662	-15	418	-54
May-07	1119	+39	1005	+30	874	+39	787	+36	737	+23	697	+5	662	-15	417	-55
Jun-07	1116	+35.5	1005	+30	873	+38	788	+37	738	+24	696	+4	661	-16	416	-56
Jul-07	1119	+38.5	1005	+30	875	+40	787	+36	737	+23	695	+3	660	-17	415	-57

Table 4: Commonwealth Bank of Australia - Wool Futures

CBA Wool Futures Quotes																		
01-Jun-2006																		
Month	18 MIC	Prem/ Disc	19 MIC	Prem/ Disc	20 MIC	Prem/ Disc	21 MIC	Prem/ Disc	22 MIC	Prem/ Disc	23 MIC	Prem/ Disc	24 MIC	Prem/ Disc	25 MIC	Prem/ Disc	28 MIC	Prem/ Disc
May-06	1070	-10	960	-15	837	+2	753	+2	715	+1	690	-2	674	-3	640	2	458	-14
Jun-06	1077	-3	973	-2	843	+8	760	+9	716	+2	688	-4	674	-3	637	-1	445	-27
Jul-06	1087	+7	978	+3	851	+16	770	+19	718	+4	687	-5	669	-8	635	-3	448	-24
Aug-06	1097	+17	985	+10	861	+26	775	+24	720	+6	683	-9	669	-8	631	-7	448	-24
Sep-06	1104	+24	992	+17	865	+30	780	+29	720	+6	683	-9	664	-13	629	-9	445	-27
Oct-06	1114	+34	995	+20	869	+34	784	+33	723	+9	681	-11	662	-15	627	-11	443	-29
Nov-06	1118	+38	1000	+25	872	+37	787	+36	725	+11	677	-15	661	-16	624	-14	441	-31
Dec-06	1123	+43	1010	+35	875	+40	790	+39	726	+12	675	-17	657	-20	620	-18	438	-34
Jan-07	1133	+53	1017	+42	880	+45	793	+42	727	+13	673	-19	654	-23	618	-20	437	-35
Feb-07	1138	+58	1021	+46	885	+50	798	+47	728	+14	673	-19	654	-23	617	-21	433	-39
Mar-07	1142	+62	1026	+51	888	+53	803	+52	730	+16	671	-21	649	-28	615	-23	431	-41
Apr-07	1114	+34	1031	+56	897	+62	805	+54	736	+22	668	-24	649	-28	612	-26	428	-44
May-07	1155	+75	1031	+56	904	+69	808	+57	740	+26	665	-27	649	-28	610	-28	423	-49
Jun-07	1159	+79	1036	+61	907	+72	810	+59	743	+29	665	-27	649	-28	609	-29	423	-49
Jul-07	1167	+87	1036	+61	910	+75	812	+61	745	+31	664	-28	649	-28	606	-32	423	-49

Table 5: Sydney Futures Exchange - Wool Futures Prices

SFE FUTURES PRICES						
1-Jun-06						
Month	19 MIC	Prem/ Disc	21 MIC	Prem/ Disc	23 MIC	Prem/ Disc
Jul-06	973	-2	783	+32	700	+8
Sep-06	1003	+28	793	+42	695	+3
Nov-06	1017	+42	804	+53	673	-19
Jan-07	1020	+45	813	+62	673	-19
Mar-07	1035	+60	826	+75	666	-26
May-07	1037	+62	836	+85	666	-26
Jul-07	1030	+55	836	+85	666	-26
Sep-07	1040	+65	836	+85	666	-26
Nov-07	1040	+65	836	+85	666	-26

Source: AWEX, Commonwealth Bank of Australia, National Australia Bank, Sydney Futures Exchange.

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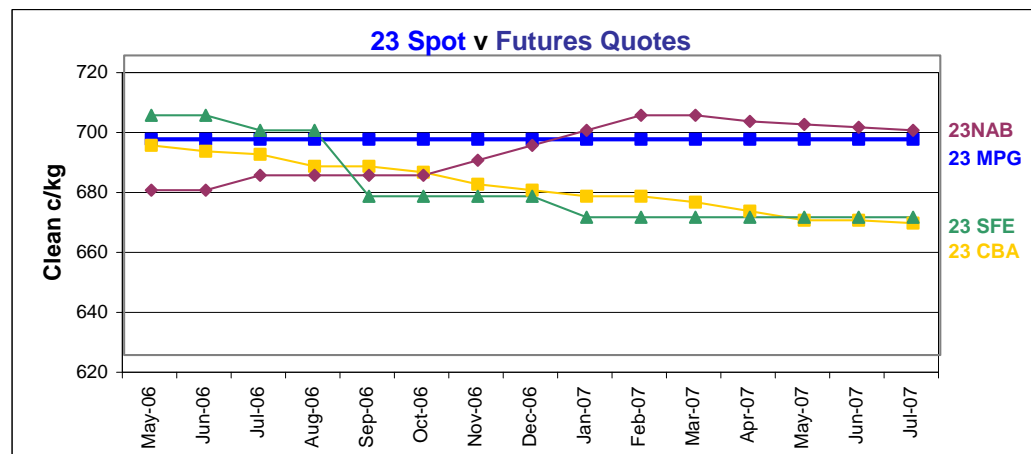
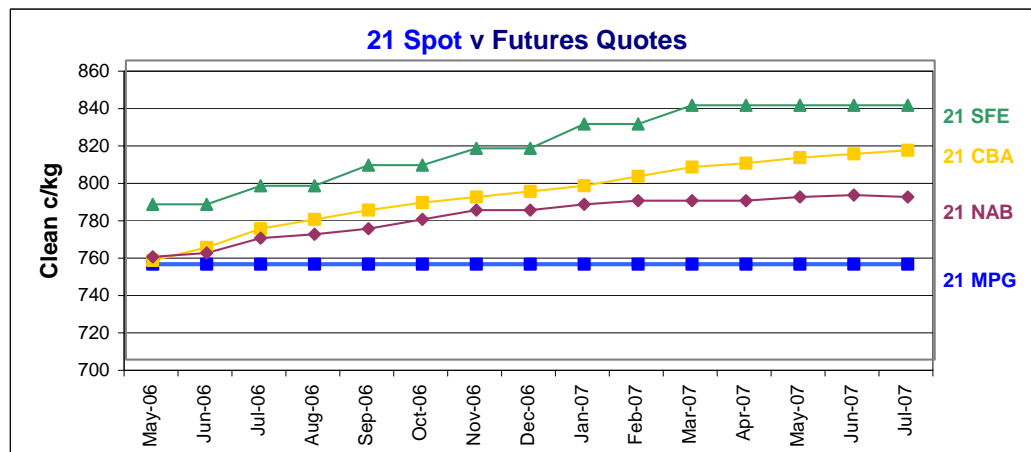
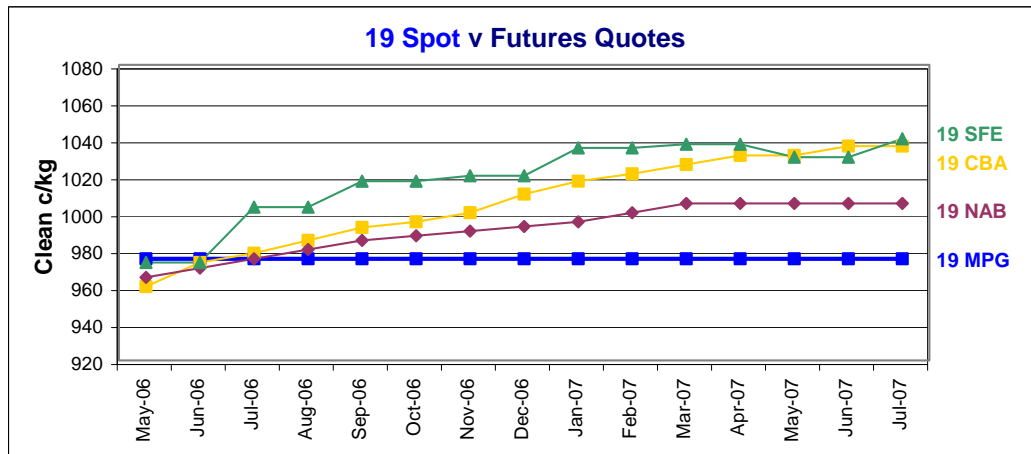
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(week ending 1/06/2006)

Futures Graphs



Source: AWEX, Commonwealth Bank of Australia, National Australia Bank, Sydney Futures Exchange.

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