



# JEMALONG WOOL BULLETIN

(week ending 03/03/2005)

**Table 1: Northern Market Prices**

Micron Price Guides	Current Price	Weekly Change	10-yr Average	Price as % of Ave	This time last year	Year high	Year low
North Ind	736	-1	767	96%	794	945	730
18	1005	16	1411	71%	984	1145	937
18.5	967	11	1113	87%	966	1088	846
19	916	2	1042	88%	947	1053	889
19.5	864	-4	1018	85%	922	1047	862
20	818	-9	836	98%	882	1036	805
21	760	-7	750	101%	849	1035	744
22	715	-6	707	101%	816	1034	706
23	695	-3	669	104%	790	1029	686
24	659	0	648	102%	753	1015	410
25	584	0	615	95%	679	938	579
26	537	-3	584	92%	658	880	533
28	457	-5	523	87%	526	647	456
30	425	1	472	90%	470	550	418
32	393	0	448	88%	423	510	373
MC	423	-3	416	102%	407	514	364

## NORTHERN MARKET REPORT -

**Australian Dollar 78.13c US, as of 03/03/2005**

Sales were held in Melbourne, Sydney and Fremantle this week. The national offering was approximately 66,500 bales.

Sales opened in Sydney on Tuesday, with mixed results. The finer end was cheaper in comparison with Newcastle sale last week. There was very little price movement in the other microns. Skirtings were around 10c/kg clean cheaper based on the lower-style offering, while oddments were around 10-15c/kg clean cheaper.

The market was slightly firmer on Wednesday. 21 microns were the most in demand and recorded a 10c/kg clean price rise. All other microns were 2-4c/kg clean dearer. Crossbreds, skirtings and oddments were all slightly dearer.

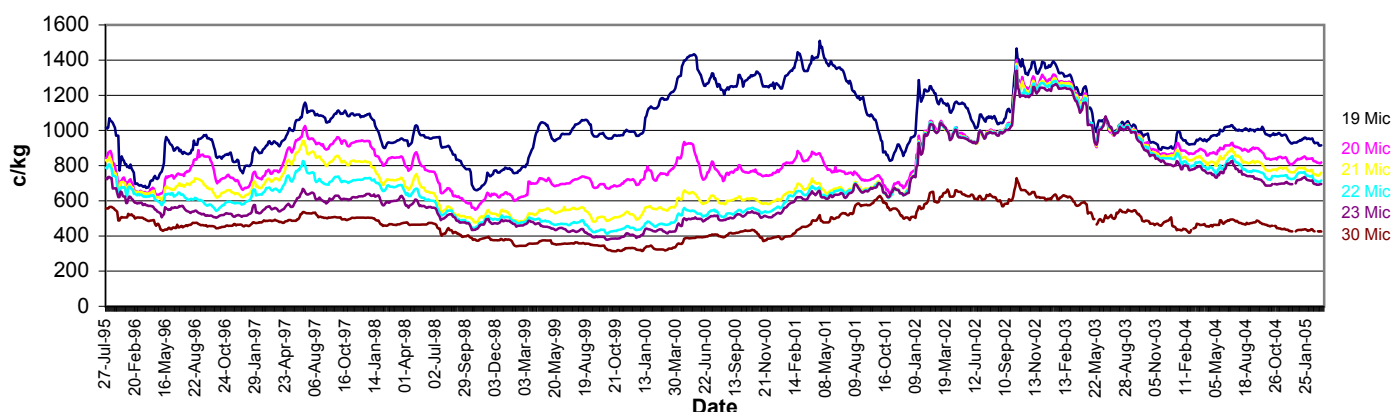
On Wednesday afternoon the dollar dropped close to 78c US and this seemed to spark some demand. Between Wednesday night and early Thursday morning there was strong buying interest on Wooltrade with around 200 bales sold in this period. The major interest was in good style, 32nkt+ 18.5-19.5 fleeces. This translated to further increases in auctions on Thursday with 22 microns and finer all recording price rises of around 5c/kg clean. The broader end and crossbreds were unchanged. There was good demand for skirtings and oddments pushing prices up around 5c/kg clean. Major buyers for the week were Southern Cross (2,230 bales), BWK Elders (1,760) and Morepen (1,529) bales.

The Australian Reserve Bank rose interest rates by 0.25% this week and the in theory you would expect the Australian dollar to rise as a result. However the opposite seemed to happen. The dollar was trading above 79c US early in the week and finished the week just above 78c US after the interest rate increase announcement. Why is this so? Analysts reported that the Reserve Bank was expected to raise the official interest rate this week, so the effect had already been priced into the dollar for the past couple of weeks. So when the Reserve Bank actually raised interest rates there was little effect. What did affect the dollar this week was the release of economic data indicating a much lower growth rate for the Australian economy than was predicted. In addition to this was a record current account deficit which placed downward pressure on the dollar. The higher dollar has been hurting all Australian exporters and reflected in the national current account deficit. Make sense?

Sales continue next week in Melbourne, Sydney and Fremantle. There is a smaller national offering next week of only approximately 59,000 bales. Hopefully the smaller offering and a steady dollar will see prices remain firm for next week.

Comments: Phil Roberts (Wooltrade)

**Micron Price Guide Movement**  
1995-2005





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(week ending 03/03/2005)

Table 2: Northern Market Deciles

Micron Price Guide (1995-2005)										
	19	20	21	22	23	24	25	26	28	MC
Current	916	818	760	715	695	659	584	537	457	423
90%	820	666	531	475	440	434	427	397	342	274
80%	906	712	582	521	495	476	456	436	380	306
70%	944	739	633	576	523	500	476	460	402	354
60%	973	766	663	631	565	539	520	483	428	392
50%	1001	815	697	662	610	587	560	507	447	427
40%	1051	852	766	709	643	629	589	529	464	439
30%	1108	893	825	760	717	684	650	547	485	461
20%	1232	940	885	855	830	822	741	595	505	486
10%	1325	1014	1008	1011	1003	993	954	719	563	569





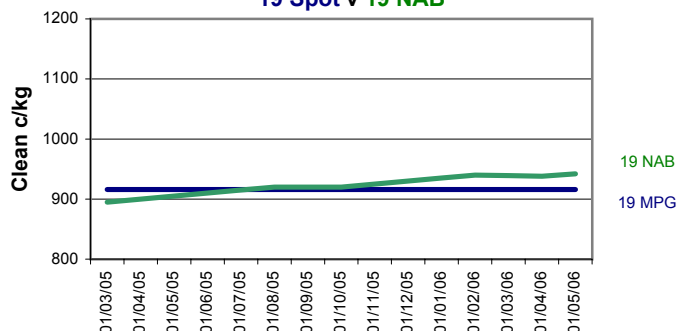
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Table 3: National Australia Bank - Wool Swaps

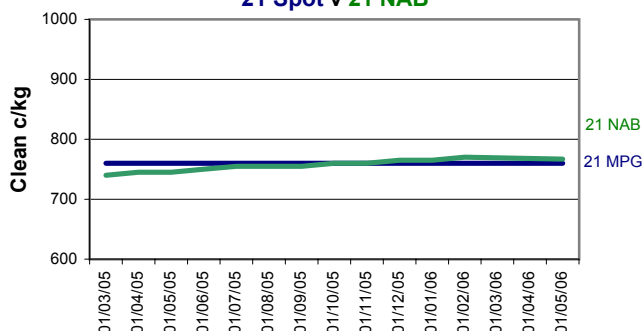
NAB Producer Bids																
03-Mar-2005																
Delivery Month	18 MIC	Diff. To Spot	19 MIC	Diff. To Spot	20 MIC	Diff. To Spot	21 MIC	Diff. To Spot	22 MIC	Diff. To Spot	23 MIC	Diff. To Spot	24 MIC	Diff. To Spot	28 MIC	Diff. To Spot
Mar-05	985	-20	895	-21	795	-23	740	-20	700	-15	675	-20	635	-24	440	-17
Apr-05	990	-15	900	-16	800	-18	745	-15	700	-15	675	-20	635	-24	440	-17
May-05	995	-10	905	-11	800	-18	745	-15	705	-10	675	-20	635	-24	440	-17
Jun-05	1000	-5	910	-6	805	-13	750	-10	710	-5	680	-15	640	-19	440	-17
Jul-05	1000	-5	915	-1	810	-8	755	-5	715	0	680	-15	640	-19	440	-17
Aug-05	1005	0	920	+4	810	-8	755	-5	715	0	680	-15	640	-19	440	-17
Sep-05	1005	0	920	+4	810	-8	755	-5	715	0	680	-15	645	-14	445	-12
Oct-05	1005	0	920	+4	815	-3	760	0	715	0	680	-15	650	-9	445	-12
Nov-05	1010	+5	925	+9	815	-3	760	0	715	0	680	-15	650	-9	445	-12
Dec-05	1015	+10	930	+14	820	+2	765	+5	720	+5	680	-15	650	-9	445	-12
Jan-06	1020	+15	935	+19	820	+2	765	+5	720	+5	685	-10	655	-4	450	-7
Feb-06	1025	+20	940	+24	825	+7	770	+10	725	+10	685	-10	655	-4	450	-7
Mar-06	1024	+19	939	+23	824	+6	769	+9	724	+9	684	-11	654	-5	449	-8
Apr-06	1023	+18	938	+22	823	+5	768	+8	723	+8	688	-7	658	-1	453	-4
May-06	1027	+22	942	+26	822	+4	767	+7	727	+12	692	-3	657	-2	452	-5

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19 Spot v 19 NAB



21 Spot v 21 NAB



23 Spot v 23 NAB

