



JEMALONG WOOL BULLETIN
(week ending 04/10/2002)

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
NMI	1184	35	720	164%	839	1242	907
18.5	1507	99	1225	123%	na	1517	1124
19	1404	59	1038	135%	991	1466	1036
19.5	1348	43	1018	132%	na	1442	988
20	1288	28	787	164%	745	1401	956
21	1268	14	683	186%	709	1379	953
22	1252	6	635	197%	702	1365	953
23	1231	8	591	208%	701	1340	953
24	1211	50	575	211%	699	1299	952
25	1182	46	553	214%	685	1198	945
26	1070	45	530	202%	671	1088	878
28	869	29	502	173%	665	889	709
30	697	14	461	151%	623	729	569
32	656	10	445	147%	612	669	545
MC	662	49	385	172%	424	662	463
Australian Dollar		0.5445					

A 56,000 bale auction offering this week reflects the acute shortage of wool production this season. As a result the market jumped a further 8% (80-130c/kg ctn) in opening auction sales on Tuesday as exporter panic buying continued. Buyers were covering short positions to meet shipping orders as well as physical futures deliveries. The extent of the rise on Tuesday caught more woolbuyers unaware than the price rises of the previous week. On Tuesday 19-23 micron levels were quoted up to 380c/kg clean higher than levels two weeks ago. On Tuesday night the general comment around the trade was "the market will inevitably retrace somewhat but when and by how much?" Buyers didn't have to wait too long for their question to be answered with prices on Wednesday sliding back to the levels of closing sales on Thursday the previous week, for 20-25 micron and 20c/kg above for 18-19micron. Thursday saw the market steady with closing quotes firming towards the end of the sales.

China was again the market driver with European topmakers creating much competition. Fine wools saw most prices rising for the week, with some extreme prices paid for sound superfine types. Based on shipping figures, China is currently buying over 40% of the 19 micron wools being sold, with Italy in second place. These figures are up 70-80% on this time last year, and augers well for fine wools in the coming months. China has traditionally been more dominant in the medium and broad wool markets but as anticipated by fashion, they are wanting higher quality wools, producing finer, softer, lighter garments.

Wooltrade enjoyed another week of selling into the rising market. Most volumes were traded on Tuesday when the market peaked before retracing on Wednesday. Renewed interest from China was seen for 18.5mic fleece wools and 19.5micron pcs on Thursday.

Hedging markets were as buoyant as the physical market with prices racing up on Tuesday and declining rapidly for near months on Wednesday. Levels neared 1200c/kg clean for 20-21 micron spring-03 on Tuesday, retracing 30c/kg on Wednesday and a further 10c/kg on Thursday. With derivative market price movements as extreme as the physical, Good Till Cancelled Orders may be more useful to capture one-off selling opportunities in forward months.

Growers should not be disgruntled about the falls of Wednesday. Prices remain at very high levels for all micron categories and continue to present profitable selling opportunities. Thursday's firming market will help to consolidate these new levels, and reduce panic from all parties. A larger auction offering of 85,000 bales next week should have a settling effect on the market, with indications that prices are likely to continue to favour sellers.

Comments: Evonne Luton (Wooltrade)

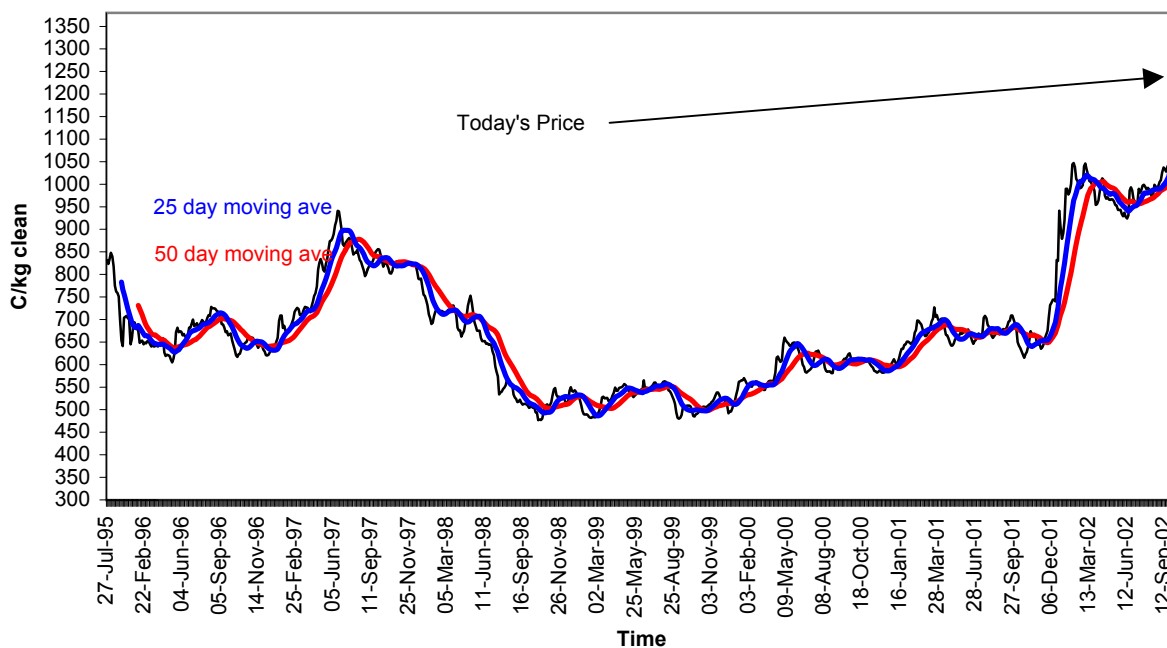


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Table 3: Northern Market Deciles

Micron Price Guide (1995-2002)										
Current	1404	1288	1268	1252	1231	1211	1182	869	656	662
90%	785	646	519	467	430	425	416	392	335	257
80%	875	692	551	494	472	464	442	416	361	288
70%	931	718	599	534	503	481	463	442	389	310
60%	967	739	633	576	523	502	479	462	432	348
50%	1014	761	653	624	558	530	505	483	453	376
40%	1075	778	676	644	589	565	542	507	466	422
30%	1125	840	708	670	620	598	568	530	485	441
20%	1232	910	809	710	643	630	601	551	503	467
10%	1315	962	941	940	938	932	900	687	564	509

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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
Oct-02	1620	1380	-24	1265	-23	1250	-18	1220	-32	1205	-26	1185	-26	1160
Dec-02	1620	1390	-14	1255	-33	1240	-28	1210	-42	1195	-36	1175	-36	1155
Feb-03	1620	1390	-14	1260	-28	1245	-23	1215	-37	1200	-31	1180	-31	1155
Apr-03	1620	1385	-19	1240	-48	1225	-43	1195	-57	1180	-51	1160	-51	1140
Jun-03	1590	1385	-19	1220	-68	1205	-63	1175	-77	1160	-71	1140	-71	1115
Aug-03	1570	1370	-34	1190	-98	1170	-98	1140	-112	1115	-116	1095	-116	1070
Oct-03	1550	1365	-39	1175	-113	1155	-113	1125	-127	1100	-131	1080	-131	1055
Dec-03	1530	1365	-39	1165	-123	1145	-123	1115	-137	1090	-141	1070	-141	1045
Feb-04	1490	1335	-69	1145	-143	1120	-148	1090	-162	1060	-171	1035	-176	1015
Apr-04	1479	1305	-99	1139	-149	1113	-155	1083	-169	1050	-181	1025	-186	1005
Jun-04	1456	1285	-119	1126	-162	1100	-168	1068	-184	1030	-201	1006	-205	986

