JEMALONG WOOL BULLETIN
(week ending 06/02/2003)

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	1173	-2	744	158%	962	1242	907
18.5	1391	-1	1344	104%	na	1542	1124
19	1329	-7	1053	126%	1232	1466	1036
19.5	1303	-12	1018	128%	na	1442	988
20	1281	-8	810	158%	997	1401	956
21	1272	-3	710	179%	990	1379	953
22	1255	-1	663	189%	985	1365	953
23	1238	2	621	199%	974	1340	953
24	1215	4	604	201%	923	1299	952
25	1086	6	579	188%	834	1198	945
26	1011	7	552	183%	748	1088	878
28	716	5	515	139%	636	889	708
30	619	13	468	132%	581	729	569
32	576	19	451	128%	542	669	545
MC	660	-7	402	164%	632	684	463
Australian Dollar			**0.5898**				

The market this week eased slightly as the absence of China had its effect on the overall competition. Prices for merino fleece fell 0.5-2% with fine wools more affected. Broad merino 24-25micron firmed while broad crossbred types gained 5-20c/kg clean for the week. Skirtings and cardings eased 1-2% for the week.
With New Year celebrations in full swing earlier in the week, it was obvious that Chinese buyers were not interested in the market this week. Published top buyers for each day of sale included European buyers such as Fox and Lillie, Modiano, Chargeurs, BWK Elders etc, some of whom are rarely seen published in these lists today.
It is expected that the market should see the return of some Chinese orders which will assist in establishing a firm or dearer market over the coming weeks.
The Australian dollar continues to fluctuate against the US with levels falling early in the week to below 58.3cents but rising quickly Wednesday night to over 59cents. Despite the weakening US dollar, the Euro continues to appreciate against the Aussie dollar assisting European processing purchases.
What effect will the break out of war have on the wool market? There exists mixed opinion as to the effect a war may have on the wool market. Most believe that a war between the US and Iraq may have only a short-lived negative effect on the immediate market. It is also a common belief however, that if the warring nations were to escalate to include North Korea, Israel and Pakistan then the effects would most certainly be more severe. In the short-term on our backdoor, the imminent striking unions against sending Australian troops to the gulf may cause some logistic concerns. Despite this uncertainty however, supply levels remain critically low with only 50,000 bales on offer next week.
Forward markets fluctuated early the week, rising on Tuesday but retracing Wednesday and unchanged on Thursday to mirror the movements in the spot market.
Comment: Evonne Luton (Wooltrade)

Figure 1: Northern MPG Movement

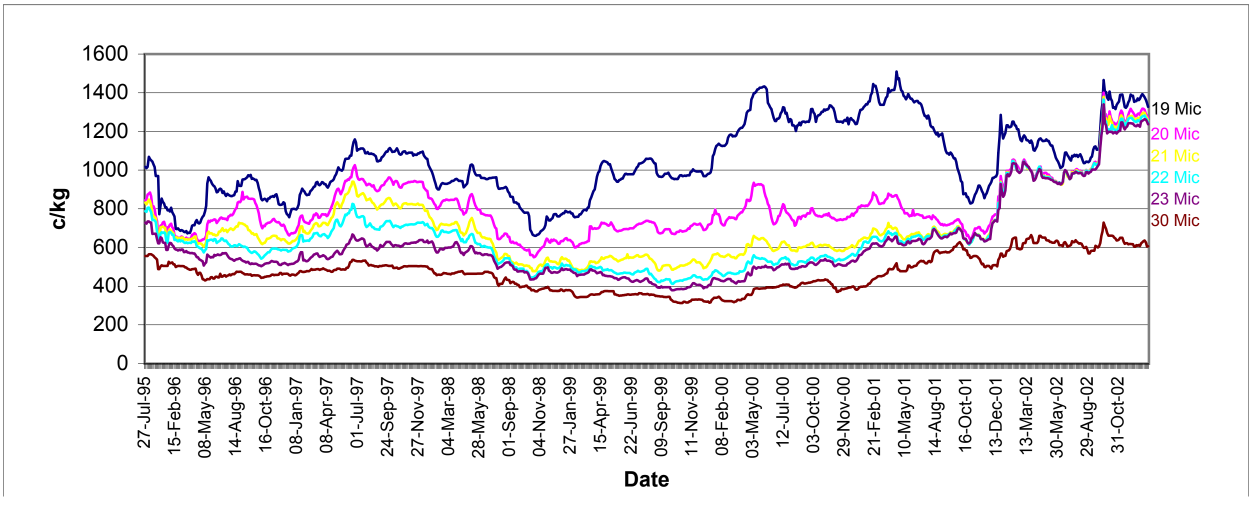
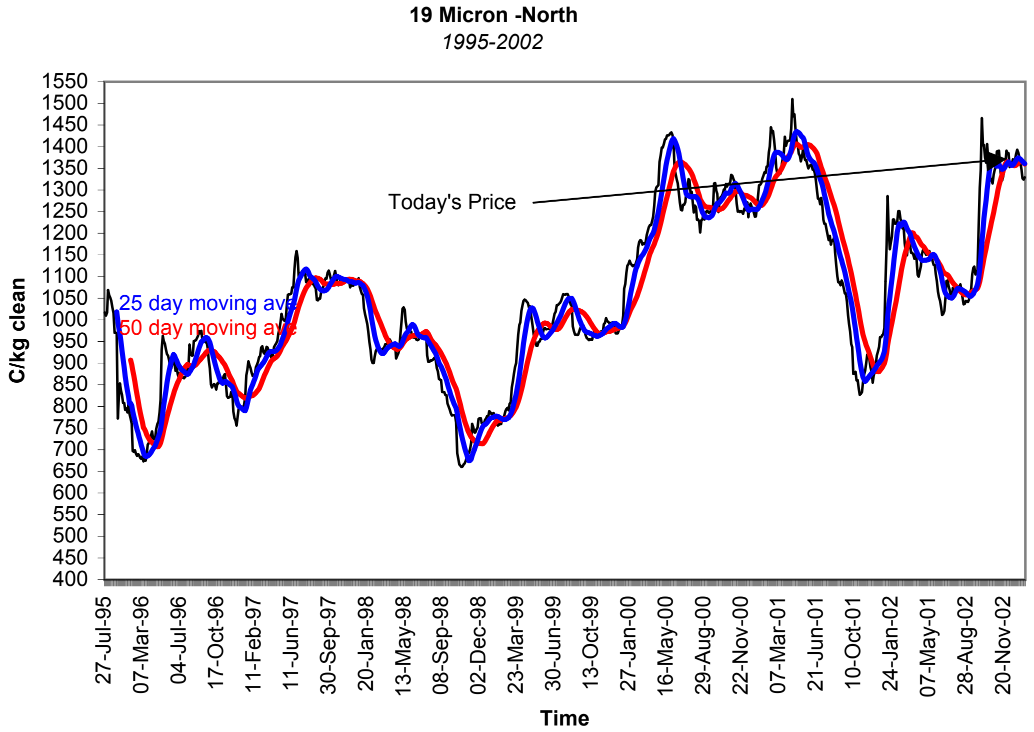


Table 3: Northern Market Deciles

Micron Price Guide (1995-2002)

	19	20	21	22	23	24	25	26	28	30
Current	**1329**	**1281**	**1272**	**1255**	**1238**	**1215**	**1086**	**716**	**576**	**660**
90%	785	646	519	467	430	425	416	392	335	257
80%	880	695	553	497	473	466	448	417	363	290
70%	938	720	604	539	507	483	465	444	393	322
60%	973	743	641	588	528	509	481	465	435	354
50%	1036	765	660	630	563	538	520	491	455	389
40%	1086	798	685	655	600	579	550	510	474	429
30%	1156	852	720	680	625	606	575	541	491	456
20%	1260	931	828	728	657	652	643	584	527	481
10%	1347	997	990	987	984	978	952	734	570	574



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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
Feb-03	1490	1335	6	1280	-1	1275	3	1260	5	1235	-3	1210	-5	1110
Apr-03	1490	1335	6	1285	4	1275	3	1260	5	1235	-3	1210	-5	1110
Jun-03	1490	1335	6	1290	9	1280	8	1265	10	1235	-3	1210	-5	1110
Aug-03	1490	1330	1	1265	-16	1250	-22	1235	-20	1215	-23	1185	-30	1095
Oct-03	1490	1335	6	1250	-31	1235	-37	1220	-35	1200	-38	1175	-40	1085
Dec-03	1490	1335	6	1245	-36	1230	-42	1210	-45	1195	-43	1170	-45	1075
Feb-04	1485	1320	-9	1220	-61	1200	-72	1180	-75	1155	-83	1125	-90	1045
Apr-04	1485	1320	-9	1200	-81	1185	-87	1160	-95	1135	-103	1105	-110	1025
Jun-04	1485	1315	-14	1185	-96	1165	-107	1140	-115	1115	-123	1090	-125	1005
Aug-04	1475	1305	-24	1168	-113	1148	-124	1116	-139	1088	-150	1063	-152	984