



JEMALONG WOOL BULLETIN
(week ending 06/05/2004)

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	783	-11	766	102%	962	945	772
18.5	1010	-1	1154	88%	1151	1088	846
19	969	-4	1048	92%	1125	1053	889
19.5	915	-4	1018	90%	1074	1047	877
20	865	-11	833	104%	1050	1036	857
21	800	-20	745	107%	1036	1035	798
22	752	-23	702	107%	1050	1034	750
23	732	-18	663	110%	1033	1029	732
24	694	-8	645	108%	1010	1015	692
25	663	-15	613	108%	915	938	663
26	622	-13	583	107%	na	880	622
28	530	-11	524	101%	619	647	494
30	462	-1	473	98%	532	550	418
32	418	0	451	93%	na	510	373
MC	364	-35	415	88%	506	514	364

Australian Dollar 0.731 as of Thu-06-May-2004

NORTHERN REGION MARKET REPORT -

After quiet trading on Friday and Monday through Wooltrade, auctions opened cheaper in sales on Tuesday in Sydney and Melbourne. This trend continued in all three centres on Wednesday, while finding a cautious new level and steady on Thursday.

In the North, Tuesday's sales saw prices for 19.5-25 mic fall by up to 10c/kg clean, while 19micron and XB f/c fell 5c/kg clean. Wednesday saw the same trend continue, with 21-25 micron falling 10-15c/kg, the finer end unchanged, <18mic quoted dearer. Skirtings under 2% saw some keen demand while higher VM types +4% were up to 20c/kg cheaper. Cardings were quoted 35c down for the week with crutchings and carbo locks most affected.

Against the trend were superfine wool prices which continued to achieve higher levels as volumes of spinners styles on offer decline. Large price premiums continue to be paid for superfine fleece wools with low mid-breaks <40% while >70% attract less competition and are discounted regardless of the strength.

Despite the dollar dipping to below 72c US on Friday, interest from China was also at reduced levels. Reasonable quantities of 20 micron and broader continue to be offered at national auctions as growers look at selling before the end of financial year. Despite the usual decline in fresh wool available during May and June, enough held stocks are available for sale if the market were to move in a more positive direction. With this in mind, any sort of sustained upside potential for these types over the next couple of months seems unlikely. Furthermore, reports from China suggested that their domestic clip of average micron 20-24 will be available during the next two months, reducing the urgency for buying from our market.

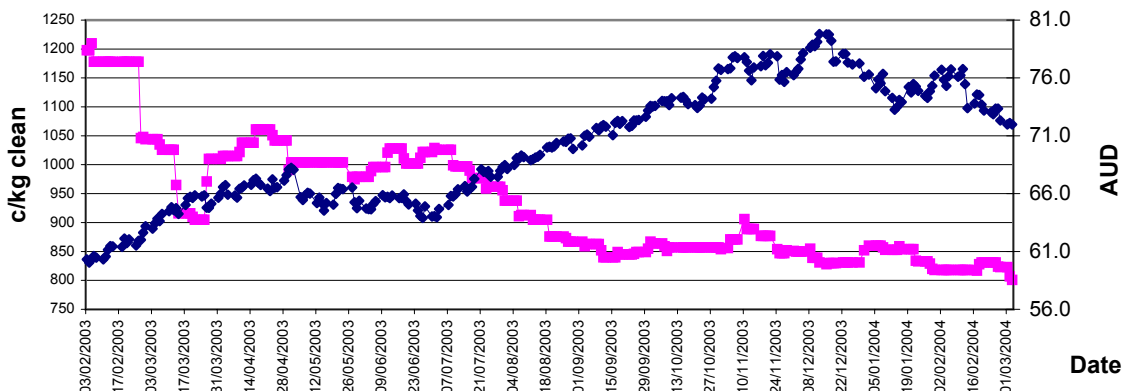
Current price movements seem contrary to recent publications & anecdotal evidence suggesting increasing prices throughout the next two months. With a hand-to-mouth buying environment predicting market movement is near impossible. Growers looking to sell should consider actual prices able to be achieved and whether they are profitable rather than attempting to "pick" the market.

Unlike medium and broad wools, fine wool demand is improving from both Europe and China with concerns over limited supplies of quality sound types being available. The two largest buyers in the south this week represent one of the largest exporters of fine wool into China, and one of the larger exporters of fine wool into Italy.

Sales continue in Sydney, Melbourne and Fremantle next week.

Comments: Evonne Luton (Wooltrade).

21 MPG S vs AUD



Source: AWEX, SFE, Macquarie Bank

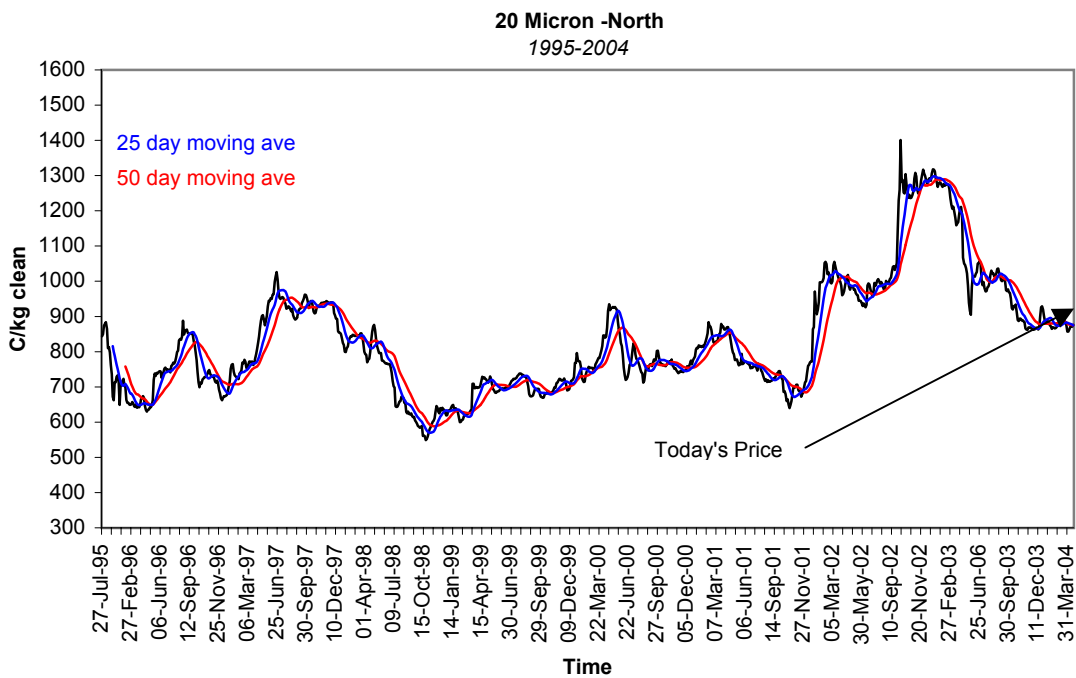
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Table 3: Northern Market Deciles

Micron Price Guide (1995-2003)										
	19	20	21	22	23	24	25	26	28	MC
Current	969	865	800	752	732	694	663	622	530	364
90%	802	658	526	472	439	431	421	396	341	270
80%	899	702	563	510	488	472	453	431	377	298
70%	943	730	620	553	516	495	472	454	401	344
60%	973	759	651	617	551	522	498	478	435	379
50%	1019	781	677	646	590	566	542	506	453	423
40%	1073	850	718	678	624	603	572	526	472	445
30%	1134	894	827	736	665	657	646	550	490	467
20%	1249	953	922	920	902	883	816	609	514	491
10%	1333	1022	1016	1018	1007	996	964	723	569	575





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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	Diff. to Spot	XB	Diff to Spot	19.5 Pcs
Apr-04	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
Jun-04	1065	980	11	860	-5	800	0	745	-7	715	-17	670	-24	650	-13	515	-15	720
Aug-04	1070	980	11	860	-5	800	0	745	-7	715	-17	670	-24	650	-13	515	-15	720
Oct-04	1080	990	21	860	-5	800	0	745	-7	715	-17	670	-24	650	-13	515	-15	720
Dec-04	1110	1000	31	870	5	810	10	760	8	715	-17	670	-24	650	-13	515	-15	730
Feb-05	1120	1000	31	880	15	820	20	765	13	720	-12	670	-24	655	-8	510	-20	740
Apr-05	1120	1010	41	880	15	825	25	775	23	725	-7	680	-14	670	7	510	-20	740
Jun-05	1120	1020	51	880	15	830	30	780	28	735	3	680	-14	680	17	510	-20	745
Aug-05	1120	1025	56	880	15	830	30	780	28	740	8	690	-4	680	17	510	-20	745
Oct-05	1130	1035	66	890	25	835	35	780	28	745	13	700	6	685	22	510	-20	745
Dec-05	1155	1040	71	900	35	850	50	800	48	755	23	710	16	690	27	510	-20	755
Feb-06	1170	1039	70	910	45	850	50	805	53	755	23	710	16	690	27	510	-20	756

