



JEMALONG WOOL BULLETIN
(week ending 09/01/2003)

Table 1: Northern Market Prices

Micron	Current	Weekly	10-yr	Current	This time last	Year high	Year low
Price	MPG Price	Change	Average	Price to	year		
Guides				Average			
NMI	1205	25	738	163%	801	1242	907
18.5	1474	13	1334	111%	na	1542	1124
19	1393	24	1049	133%	965	1466	1036
19.5	1356	36	1018	133%	na	1442	988
20	1318	33	805	164%	770	1401	956
21	1293	30	704	184%	744	1379	953
22	1277	27	657	194%	742	1365	953
23	1255	31	614	204%	740	1340	953
24	1238	31	598	207%	695	1299	952
25	1128	7	574	197%	646	1198	945
26	1023	17	547	187%	594	1088	878
28	756	13	512	148%	544	889	709
30	627	20	467	134%	509	729	569
32	578	17	449	129%	468	669	545
MC	684	12	398	172%	502	684	463

Australian Dollar 0.5769

After a three week Christmas break the market opened strongly this week, reflecting the upward movement in the forward market throughout the recess. Most affected were the medium and broader merino types, 19.5-24 micron closing up to 35c/kg higher. Rises of 20c/kg were seen on Wednesday and a further 10-15c/kg on Thursday. Some hesitation was seen in the Southern market early Thursday, recovering towards the end of the days to close unchanged from Wednesday. Skirtings and cardings rose 1-2% for the week.

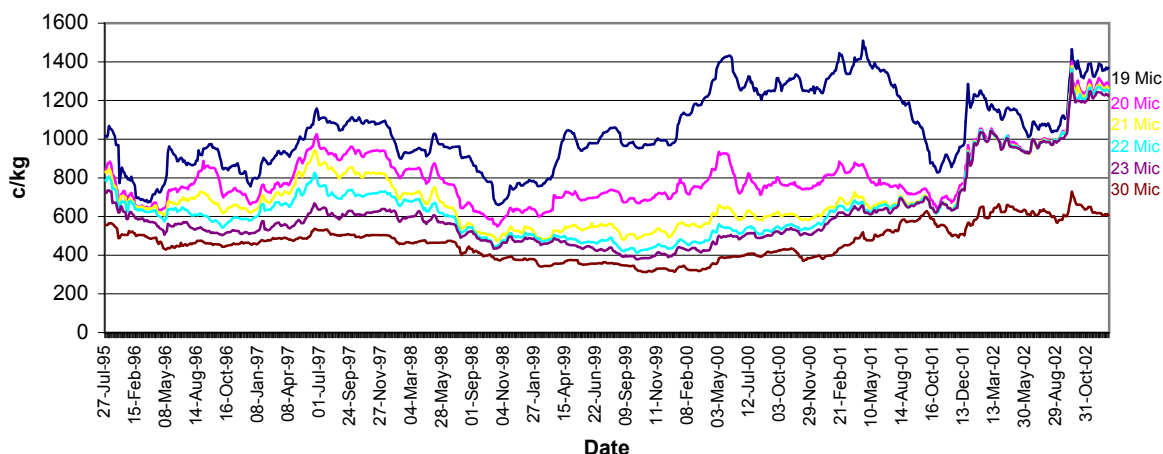
An encouraging sign for sellers is that despite China being somewhat quiet together with a 1 cent rise in the dollar this week, wool prices continued to rise 3%. The market levels for medium types are again at the 1300c/kg pseudo barrier and have steadied at this level today. In theory perhaps this barrier has been broken this week and would have been reflected in higher prices if the dollar had remained at levels of previous weeks ~ 56.5c US.

Lack of supply continues to be a prevailing factor in the market with volumes on offer barely managing to average 60,000 bales for the coming 4 weeks. Some buyers have been preparing for this shortage by taking on a stock position, while others have been very active in the forward markets.

Macquarie Wool Futures continue to trade at premiums to the market with an increased amount of buyer activity reported. Today has seen much interest in both buyers and sellers looking at covering in 2004. 19s of Jan-04 are trading at a 10c/kg premium to the spot, while 20-23s are at a 30-50c/kg discount. In relative terms, this discount represents only about 2-3.5% in price movement.

With speculation that prices may increase further in February, many growers have their plans prepared for an opportunity to take some forward cover. Good till cancelled orders may be a good way to take advantage of a sudden price peak.

comment: Evonne Luton (Wooltrade)

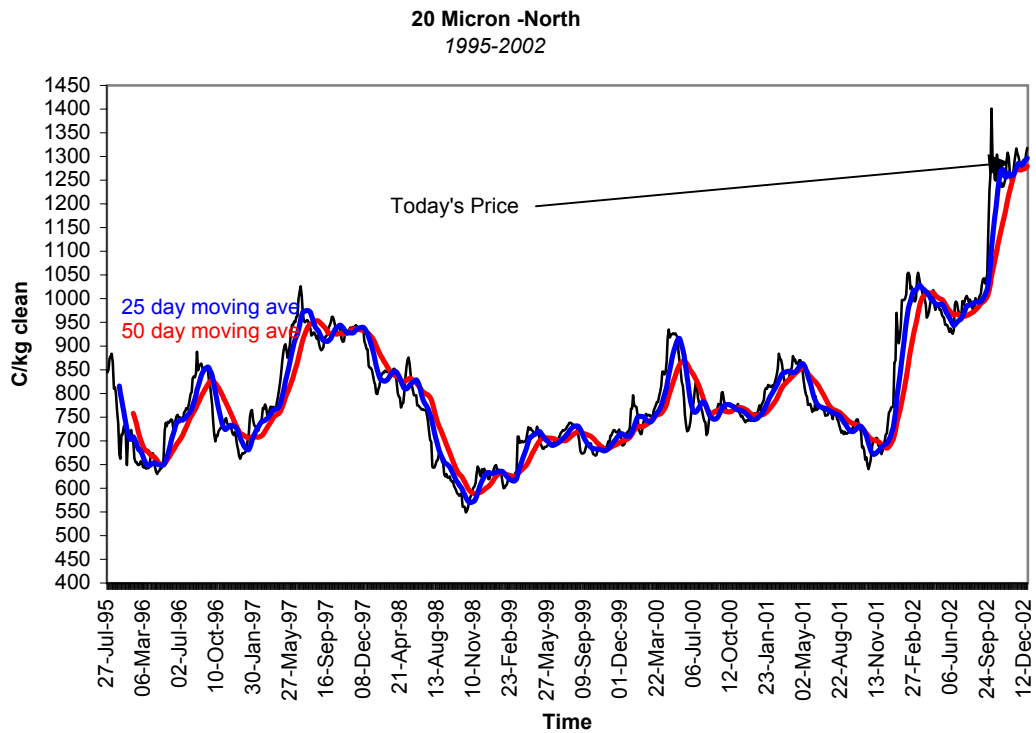




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Table 3: Northern Market Deciles

Micron Price Guide (1995-2002)										
	19	20	21	22	23	24	25	26	28	30
Current	1393	1318	1293	1277	1255	1238	1128	756	578	684
90%	785	646	519	467	430	425	416	392	335	257
80%	878	694	552	496	473	466	447	417	363	290
70%	937	719	603	538	506	482	465	443	392	320
60%	971	742	640	587	526	506	481	465	435	352
50%	1034	765	659	628	562	537	518	488	454	383
40%	1084	795	682	654	598	576	548	510	472	428
30%	1151	849	717	677	624	603	573	540	491	453
20%	1251	927	825	725	652	648	640	572	516	479
10%	1342	993	984	983	979	972	946	733	569	563





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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	1570	1405	12	1330	12	1305	12	1285	8	1265	10	1245	7	1165
Apr-03	1570	1400	7	1320	2	1295	2	1275	-2	1255	0	1235	-3	1160
Jun-03	1570	1400	7	1315	-3	1285	-8	1270	-7	1250	-5	1230	-8	1155
Aug-03	1565	1395	2	1310	-8	1285	-8	1270	-7	1240	-15	1220	-18	1140
Oct-03	1565	1395	2	1305	-13	1280	-13	1265	-12	1235	-20	1210	-28	1125
Dec-03	1565	1395	2	1295	-23	1270	-23	1255	-22	1230	-25	1205	-33	1120
Feb-04	1545	1380	-13	1255	-63	1230	-63	1215	-62	1190	-65	1165	-73	1080
Apr-04	1535	1370	-23	1235	-83	1210	-83	1195	-82	1170	-85	1145	-93	1060
Jun-04	1535	1360	-33	1215	-103	1190	-103	1170	-107	1150	-105	1120	-118	1045
Aug-04	1506	1350	-43	1186	-132	1160	-133	1136	-141	1109	-146	1080	-158	1014

