



JEMALONG WOOL BULLETIN
(week ending 9/05/02)

Table 1: Northern Market Prices

Micron Price Guides	Current MPG Price	Weekly Change	10-yr Average	Current Price to Average
Indicator	932	1	703	133%
19	1151	-1	1033	111%
20	977	-9	773	126%
21	966	0	662	146%
22	962	0	611	158%
23	956	-2	565	169%
24	956	0	549	174%
25	927	-6	527	176%
26	899	-13	506	178%
28	739	-16	486	152%
30	636	-15	450	141%
32	579	-11	437	133%
MC	513	15	374	137%

A tentative auction market struggled to close unchanged from last week. Tuesday saw a limited amount of activity on the better style fine wools pushing 19 micron prices up 7c/kg clean. Other merino fleece types were generally unchanged, 20-22.5 in the buyers favour. Crossbred types met little competitions on a limited offering and fell 1.5% ~ 10-10c/kg clean. Wednesday saw the market reverse the movements of Tuesday with 19 and 20 micron falling 8-9c/kg clean, whilst 21 and 22 micron gained 2-3c/kg. Thursday saw little change in market levels.

Skirtings were reported slightly dearer for the week whilst cardings types enjoyed some demand rising 3-7c/kg on each day of sale. With only two selling centres selling this week, supply was limited but having little effect on prices as demand is also weak.

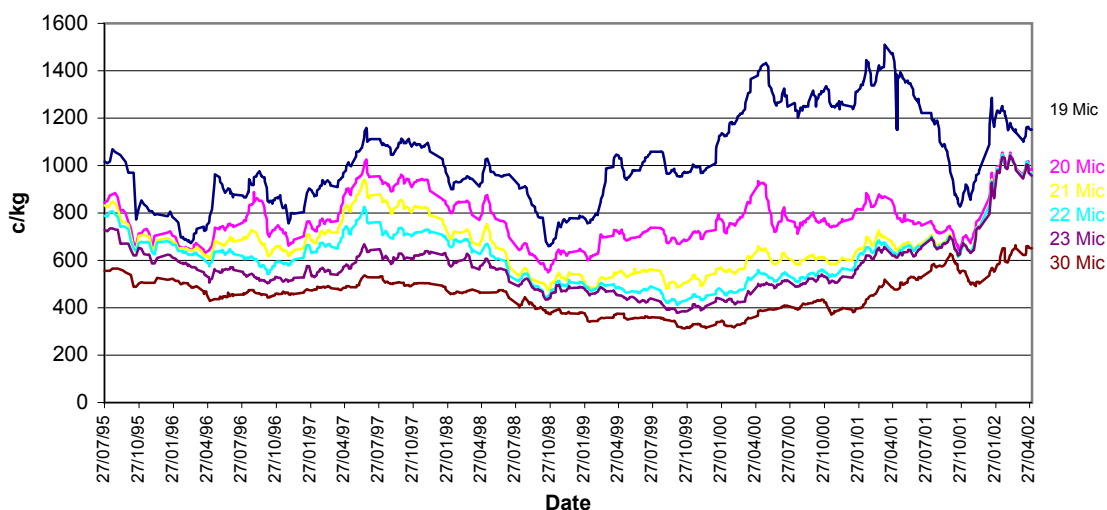
Particularly quiet are the Chinese, with reports indicating stocks in the pipeline, some substitution of synthetics by spinners and reluctance of topmakers to purchase at these levels.

Whilst supply will continue to be limited, demand will ultimately drive the market price. If China are to re-enter the market it is likely to cause a supply squeeze and increased price but if/when this happens it is likely to be short lived.

In recent weeks, some industry participants have made forecasts to the media of a peak in the market May/June. If this is the case, spring shearing growers should be considering placement of Good Till Cancelled Orders in the market to take advantage of hedging opportunities that may arise. For those with wool in store, waiting for the supposed peak to occur could be one strategy (?) or perhaps spreading sales across a number of weeks may be more beneficial and less exposed to risk. Those waiting for the supposed peak should have asking prices already set on their wool and made available for sale continuously through systems such as Wooltrade. If a price peak occurs and is short lived, the benefit of being in the market at all times will be realised.

Macquarie Futures prices fell early in the week, with spring months for 21-22 micron trading again around the 900c/kg clean mark, 19 micron about 1130c/kg clean.

Comments: Evonne Luton





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Table 3: Northern Market Deciles

Micron Price Guide (1995-2002)										
	19	20	21	22	23	24	25	28	32	MC
Current	1151	977	966	962	956	956	927	739	579	513
90%	781	642	515	464	427	422	413	386	332	255
80%	868	687	548	490	469	460	441	410	357	284
70%	922	715	586	527	498	479	459	438	386	303
60%	960	733	623	558	518	497	474	457	421	341
50%	992	755	648	607	543	518	494	473	447	366
40%	1070	770	668	636	572	551	531	500	459	392
30%	1130	813	693	660	608	584	559	518	478	430
20%	1237	861	725	687	629	608	580	544	494	454
10%	1315	938	830	730	660	653	645	589	528	481

23 Micron - North
1995-2001





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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
Jun-02	1560	1145	-6	975	-2	965	-1	960	-2	955	-1	946	-10	920
Aug-02	1560	1135	-16	950	-27	925	-41	920	-42	920	-36	910	-46	880
Oct-02	1560	1130	-21	940	-37	900	-66	890	-72	890	-66	880	-76	850
Dec-02	1560	1130	-21	940	-37	895	-71	885	-77	880	-76	870	-86	835
Feb-03	1540	1140	-11	935	-42	895	-71	880	-82	870	-86	855	-101	820
Apr-03	1520	1150	-1	930	-47	885	-81	870	-92	855	-101	835	-121	800
Jun-03	1500	1155	4	920	-57	870	-96	850	-112	835	-121	815	-141	780
Aug-03	1480	1150	-1	900	-77	860	-106	830	-132	815	-141	795	-161	780
Oct-03	1465	1135	-16	900	-77	860	-106	820	-142	800	-156	785	-171	775
Dec-03	1444	1135	-16	888	-89	851	-115	806	-156	785	-171	770	-186	758
Feb-04	1423	1128	-23	877	-100	842	-124	792	-170	770	-186	755	-201	742
Apr-04	1403	1121	-30	865	-112	833	-133	778	-184	755	-201	740	-216	725

