



JEMALONG WOOL BULLETIN

(week ending 11/05/2006)

Table 1: Northern Market Prices

Micron Price	Current	Weekly	10-yr	Price as %	This time		
Guides	Price	Change	Average	of Ave	last year	Year high	Year low
North Ind	725	5	761	95%	740	770	642
18	1058	7	1340	79%	1033	1088	900
18.5	1008	5	1065	95%	1004	1038	832
19	946	7	1027	92%	936	979	779
19.5	877	13	1018	86%	872	923	736
20	817	26	830	98%	819	859	684
21	723	3	747	97%	744	784	657
22	703	1	707	99%	716	761	648
23	678	2	671	101%	702	750	640
24	671	0	650	103%	668	708	631
25	638	-1	615	104%	600	645	588
26	583	-1	582	100%	550	589	536
28	453	0	517	88%	460	795	424
30	404	0	467	87%	428	444	390
32	389	0	443	88%	401	408	369
MC	435	5	417	104%	438	467	380

NORTHERN MARKET REPORT -

Australian Dollar 77.09 US as of 11/05/2006

Sales this week were held in Melbourne, Sydney and Fremantle with approximately 57,000 bales offered in auctions nationally.

Sales opened in Melbourne on Wednesday with 9,9132 bales were offered (2,428 bales or 24.5% was reoffered lots). The best style fine lots received very good support on a limited quantity of these types. The 20.0 mic fleece recorded the strongest support, rising 13 cents clean. the 18.5-19.5 fleece rose 3-5 c/kg cln. The 24.0 mic fleece fell slightly. Skirtings were generally firm & XB's fell slightly. Locks fell around 10 cents and crutchings were mostly fully firm.

Passed in rate: 20%. Major Buyers: Fox & Lillie, Itochu, Chargeurs, Kathaytex and Techwool.

In Melbourne on Thursday there were 9,878 bales offered (30.9% or 3,052 bales reoffered). Most merino fleece types recorded good rises. The 18.5 mic fleece rose 12-14 cents, 19.5 mic rose 17 cents. The 18,19 and 20 to 21 mic fleece gained 5-8 cents clean. Crossbreds were the only fleece type that moved in a negative direction with 3-5 cent falls in the 25-32 micron fleece. The skirtings remained firm. Locks and crutchings stayed firm. **Passed in rate: 12.5%. Major Buyers:** Fox & Lillie, Chargeurs, Itochu, AS Gedge, Kathaytex and Williams Wool.

The Sydney market opened on Wednesday with 7,573 bales offered (22.5% or 1,704 bales reoffered). All Fleece types closed on a firm note. The 19.5-20.5 experienced the biggest rises of 6-10 cents clean. The 18-19 rose 3 cents and the 21-23 micron closed 2-4 cents firmer. Crossbred fleeces were firm. The better style and length merino skirtings with lower VM closed 5-7 cents dearer. Locks were 10-15 cents firmer and crutchings closed in sellers favour. **Passed in rate: 18.3%. Major Buyers:** Chargeurs, BWK Elders, AS Gedge, Southern Cross & Lempriere.

On Thursday the Sydney market closed with most merino fleece recording gains. The 20.0 mic recorded the biggest rise of 15-18 cents, 18 to 19 mic rose 2-5 cents and all others remained firm. On a limited selection of better style, length & low VM, the skirtings remained firm. Locks were 10-15 cents easier and crutchings closed 5 dearer. XB fleece remained firm on a small offering. **Passed in rate: 6.9%. Major Buyers:** BWK Elders, Charguers, Southern Cross, AS Gedge & Morpen.

In Fremantle sales on Wednesday resumed with 8,752 bales offered (17.5% or 1,532 bales reoffered). All fleece types recorded gains with 19-19.5 mic rising 3 cents, 21 to 22 mic rose 8-9 cents and 23-24 mic rose 2-5 cents. Merino skirtings generally rose 5-10 cents for lots with VM 3% or less and rose 5 cents for the higher VM lots. Lambs, locks and crutchings generally remained firm. **Passed in rate: 15.3%. Major Buyers:** PJ Morris, Modiano, Kathaytex, Itochu and Fremantle Wool Traders.

Fremantle on Thursday offered 8,988 bales offered (10.6% or 1,851 bales reoffered) with all microns recording rises. 19-19.5 mic rising 8 cents, 20 mic rose 15 cents, 21.0 mic rose 9 and 22 to 24 mic rising 2-5 cents. Skirtings generally remained firm for the better types and the lower style, high VM skirts fell 3-5 cents. Lambs, locks and crutchings generally remained firm.

Passed in rate: 17.4%. Major Buyers: PJ Morris, Modiano, Kathaytex, Grain Corp, Itochu & West Coast Wool.

With more interest from Chinese buyers now showing at auction sales hopefully we will see these levels maintained at least in the short-term. Figures released from the AWI Wool Production Forecast Committee indicate that fine wool production would be lower this year, after many years of growth culminated in an all time high last season. Forecasts predict overall wool production to fall by 4%, with fine wool production to fall by 8.5%.

Next Week: Sales continue next week in Sydney, Melbourne and Fremantle with approximately 58,000 bales rostered for sale.

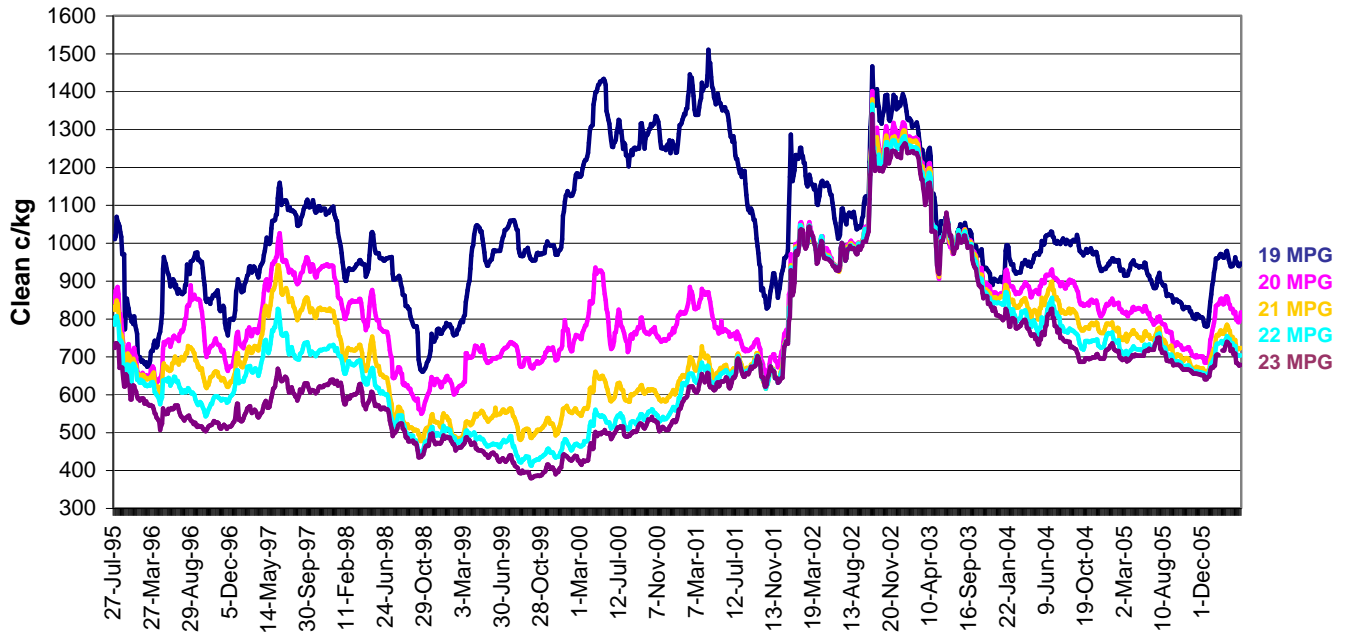
Wooltrade will continue to provide growers access to the market and growers can benefit from this constant market exposure, particularly with the current favourable market conditions (which may not last for the long term). Please consider the opportunities that are available by listing on Wooltrade with a targeted selling strategy. This may require some consultation with your local representative.

(Comments: Brian Vagg - Wooltrade)

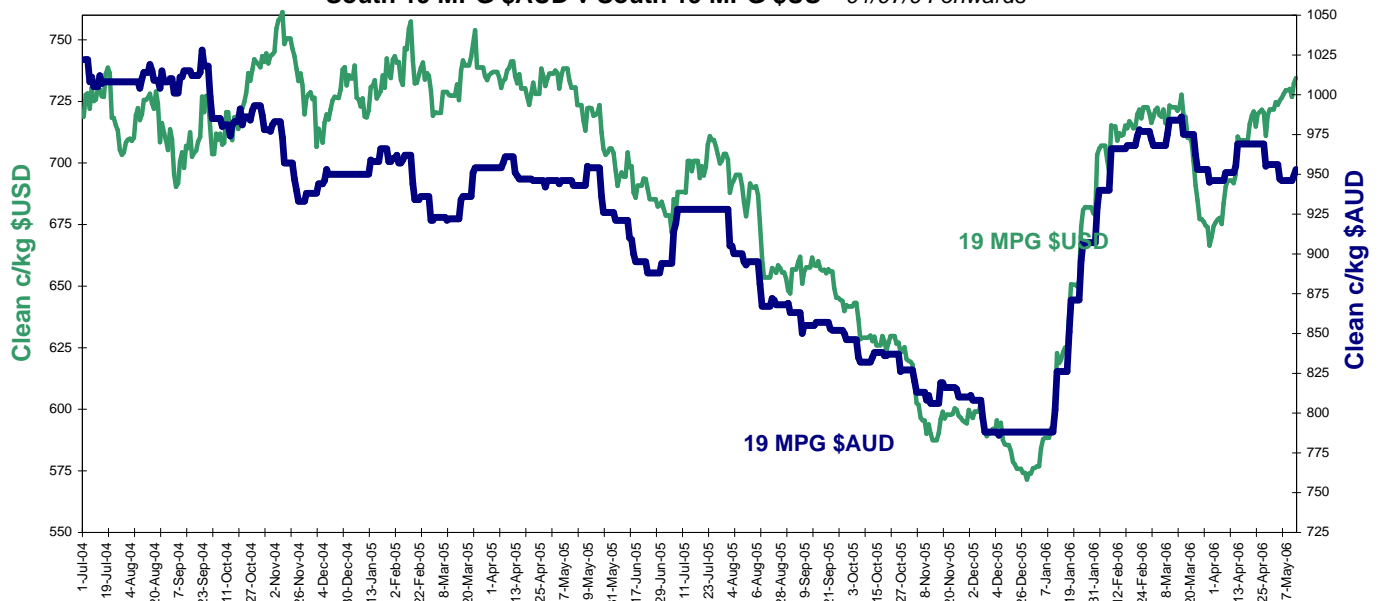
Source: AWEX, Commonwealth Bank of Australia, National Australia Bank, Sydney Futures Exchange.

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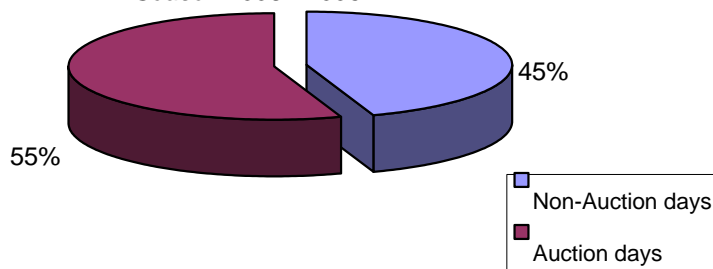
Nth Micron Price Guide Movement 1995-2006



South 19 MPG \$AUD v South 19 MPG \$US - 01/07/04 onwards



Wooltrade Sales - Auction & Non-auction Days Season 2005 - 2006



This pie chart shows that close to 50% of all wool sold on Wooltrade occurs on NON AUCTION days.

Please consider the opportunities available by having constant market exposure and list your wool on Wooltrade.

Source: AWEX, Commonwealth Bank of Australia, National Australia Bank, Sydney Futures Exchange.

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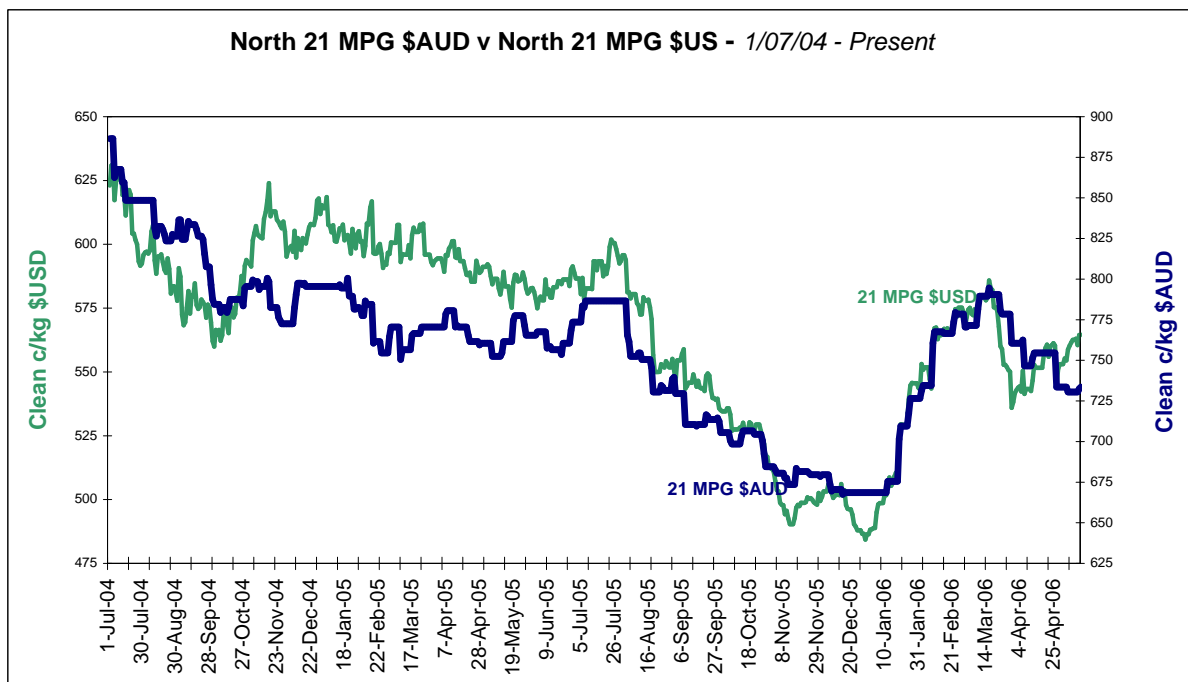
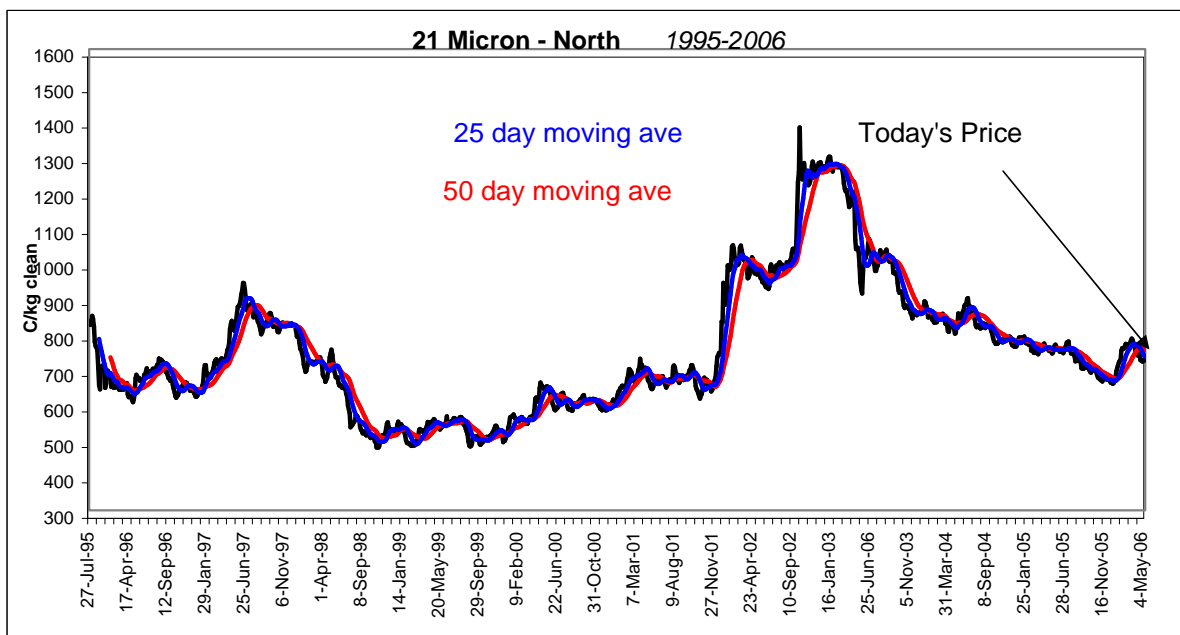


JEMALONG WOOL BULLETIN

(week ending 11/05/2006)

Table 2: Northern Market Deciles

Micron Price Guide (1995-2006)										
	19	20	21	22	23	24	25	26	28	MC
Current	946	817	723	703	678	671	638	583	453	435
90%	809	672	535	477	449	440	432	400	343	281
80%	889	713	596	534	503	481	462	439	382	325
70%	931	738	645	599	533	511	484	460	395	369
60%	956	766	670	643	584	562	537	472	414	402
50%	981	808	706	674	626	606	575	495	435	427
40%	1029	842	752	715	667	652	601	518	455	437
30%	1087	880	816	742	711	679	641	541	478	453
20%	1208	930	867	830	801	755	693	582	500	479
10%	1315	1004	1001	998	994	981	945	705	560	543



Source: AWEX, Commonwealth Bank of Australia, National Australia Bank, Sydney Futures Exchange.

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JEMALONG WOOL BULLETIN

(week ending 11/05/2006)

Table 3: National Australia Bank - Wool Swaps

NAB Wool Swaps																
11-May-2006																
Month	18 MIC	Prem/ Disc	19 MIC	Prem/ Disc	20 MIC	Prem/ Disc	21 MIC	Prem/ Disc	22 MIC	Prem/ Disc	23 MIC	Prem/ Disc	24 MIC	Prem/ Disc	28 MIC	Prem/ Disc
May-06	1025	-33	930	-16	795	-22	720	-3	685	-18	660	-18	650	-21	430	-23
Jun-06	1028	-30	935	-11	793	-24	722	-1	690	-13	660	-18	650	-21	430	-23
Jul-06	1030	-28	940	-6	800	-17	730	+7	695	-8	665	-13	645	-26	430	-23
Aug-06	1033	-25	945	-1	803	-14	733	+10	700	-3	665	-13	645	-26	430	-23
Sep-06	1035	-23	948	+2	805	-12	735	+12	705	+2	665	-13	643	-28	431	-22
Oct-06	1040	-18	948	+2	808	-9	740	+17	710	+7	665	-13	642	-29	431	-22
Nov-06	1045	-13	950	+4	810	-7	745	+22	714	+11	670	-8	642	-29	431	-22
Dec-06	1050	-8	955	+9	815	-2	745	+22	718	+15	670	-8	640	-31	430	-23
Jan-07	1055	-3	960	+14	820	+3	748	+25	722	+19	670	-8	640	-31	423	-30
Feb-07	1058	0	965	+19	823	+6	750	+27	724	+21	670	-8	640	-31	423	-30
Mar-07	1060	+2	970	+24	825	+8	750	+27	729	+26	673	-5	640	-31	423	-30
Apr-07	1060	+2	970	+24	828	+11	750	+27	731	+28	673	-5	640	-31	423	-30
May-07	1062	+4	970	+24	829	+12	752	+29	732	+29	672	-6	639	-32	422	-31
Jun-07	1063	+5	970	+24	828	+11	753	+30	733	+30	671	-7	638	-33	421	-32
Jul-07	1064	+6	970	+24	830	+13	745	+22	732	+29	670	-8	638	-33	420	-33

Table 4: Commonwealth Bank of Australia - Wool Futures

CBA Wool Futures Quotes																		
11-May-2006																		
Month	18 MIC	Prem/ Disc	19 MIC	Prem/ Disc	20 MIC	Prem/ Disc	21 MIC	Prem/ Disc	22 MIC	Prem/ Disc	23 MIC	Prem/ Disc	24 MIC	Prem/ Disc	25 MIC	Prem/ Disc	28 MIC	Prem/ Disc
May-06	1030	-28	934	-12	787	-30	720	-3	695	-8	670	-8	658	-13	640	2	451	-2
Jun-06	1038	-20	940	-6	794	-23	730	+7	698	-5	667	-11	658	-13	640	2	451	-2
Jul-06	1048	-10	948	+2	798	-19	741	+18	703	0	665	-13	658	-13	635	-3	446	-7
Aug-06	1055	-3	953	+7	804	-13	745	+22	708	+5	665	-13	654	-17	631	-7	442	-11
Sep-06	1062	+4	958	+12	808	-9	750	+27	710	+7	664	-14	654	-17	629	-9	440	-13
Oct-06	1065	+7	962	+16	810	-7	755	+32	715	+12	662	-16	654	-17	627	-11	438	-15
Nov-06	1070	+12	967	+21	814	-3	757	+34	720	+17	661	-17	654	-17	624	-14	435	-18
Dec-06	1075	+17	974	+28	818	+1	758	+35	725	+22	661	-17	653	-18	620	-18	431	-22
Jan-07	1080	+22	980	+34	820	+3	762	+39	730	+27	660	-18	653	-18	618	-20	429	-24
Feb-07	1085	+27	984	+38	825	+8	767	+44	730	+27	660	-18	653	-18	617	-21	428	-25
Mar-07	1090	+32	988	+42	830	+13	770	+47	735	+32	658	-20	652	-19	615	-23	426	-27
Apr-07	1095	+37	992	+46	835	+18	775	+52	740	+37	658	-20	652	-19	612	-26	423	-30
May-07	1100	+42	998	+52	840	+23	780	+57	743	+40	657	-21	651	-20	610	-28	421	-32
Jun-07	1104	+46	1002	+56	845	+28	780	+57	748	+45	657	-21	651	-20	609	-29	420	-33
Jul-07	1108	+50	1006	+60	850	+33	785	+62	751	+48	657	-21	649	-22	606	-32	417	-36

Table 5: Sydney Futures Exchange - Wool Futures Prices

SFE FUTURES PRICES						
11-May-06						
Month	19 MIC	Prem/ Disc	21 MIC	Prem/ Disc	23 MIC	Prem/ Disc
Jun-06	972	+26	764	+41	698	+20
Aug-06	992	+46	776	+53	693	+15
Oct-06	996	+50	783	+60	671	-7
Dec-06	992	+46	790	+67	671	-7
Feb-07	1003	+57	803	+80	664	-14
Apr-07	1015	+69	808	+85	664	-14
Jun-07	1008	+62	808	+85	664	-14
Aug-07	1008	+62	808	+85	664	-14
Oct-07	1008	+62	808	+85	664	-14

Source: AWEX, Commonwealth Bank of Australia, National Australia Bank, Sydney Futures Exchange.

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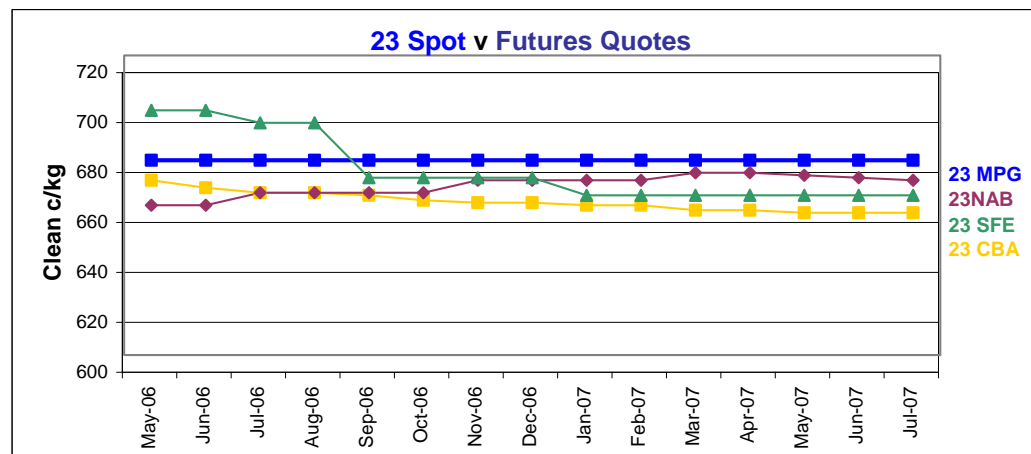
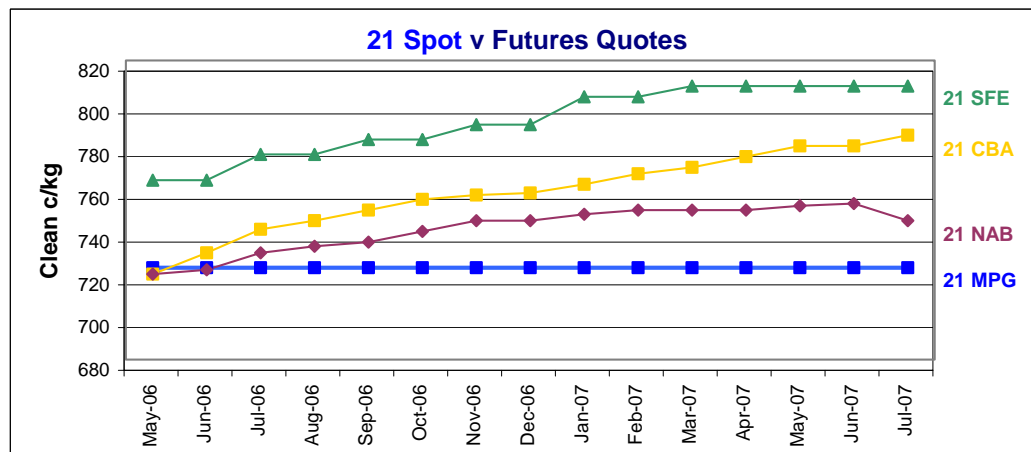
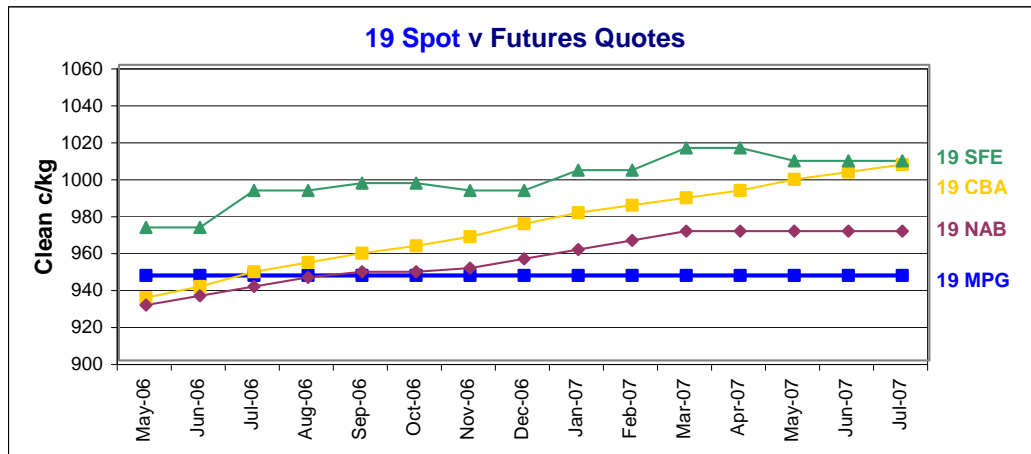
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(week ending 11/05/2006)

Futures Graphs



Source: AWEX, Commonwealth Bank of Australia, National Australia Bank, Sydney Futures Exchange.

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