



JEMALONG WOOL BULLETIN  
(week ending 11/09/2003)

**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
18.5	1045	-9	1258	83%	1164	1081	1026
19	1024	-17	1057	97%	1050	1053	992
19.5	1011	-22	1018	99%	1003	1047	979
20	1000	-23	828	121%	982	1036	971
21	1000	-20	735	136%	979	1035	975
22	993	-27	691	144%	977	1034	976
23	990	-16	650	152%	974	1029	972
24	974	-23	633	154%	971	1015	968
25	916	-14	603	152%	948	938	897
26	865	-11	574	151%	910	880	821
28	626	-2	523	120%	752	632	600
30	539	-6	473	114%	608	550	497
32	489	-5	454	108%	583	510	460
MC	503	-1	412	122%	506	504	471

**Australian Dollar** 0.6408

The rising dollar late last week continued into this week, and as a consequence a softer market prevailed. In the Northern region, auction sales began on Tuesday with prices falling 10-15c/kg across all merino fleece types. The trend continued into Wednesday's market where prices fell a further 10-15c/kg, and up to 30c/kg cheaper for 25 micron. A steadier market prevailed on Thursday with 19 micron and finer firming 5c/kg, 25-26 micron recovering 15-20c/kg, and medium wools reported unchanged to slightly cheaper ~ 3c/kg. Underlying demand for skirtings continued this week. Tuesday saw prices fall 15c/kg but recovered for the longer types on Wednesday, all types then improved 10c/kg on Thursday. The cardings market was generally unaffected by the falls seen in the fleece wools, with prices remaining unchanged on last week's close. The wool market has continued the volatile trend that we have become accustomed to throughout the past 6-12 months. With improved Chinese activity throughout August, the market direction has again become very sensitive to movement in currency, particularly the AUD vs US. This currency movement has an effect both ways. When the Australia dollar falls generally the Australian market price for wool rises and when the dollar rises, the Australian market prices for wool falls. Often it is thought that only the latter occurs, particularly in a week such as this. To highlight both scenarios (that have in fact occurred throughout the past 4 weeks), I have included the AUD vs 21MPG on page 2 of this report. In the short term, if you could crystal ball where the currency is moving from day to day, then you would have a good idea of wool market movement. This being difficult, maximising your selling opportunities through various sale methods will ultimately enhance your chances of selling in the better market when it presents itself. For those without wool in-store, hedging markets are affected by this same volatility if not more. This volatility presents opportunities. Hedging strategies in place using either Good Till Cancelled orders in futures markets or forward offers on the Forward Board will increase the likelihood of achieving price objectives. Forward markets this week reacted with the auction markets, falling 15c/kg early in the week and a further 15c/kg on Wednesday. Markets remained firm on Thursday with limited volumes traded.

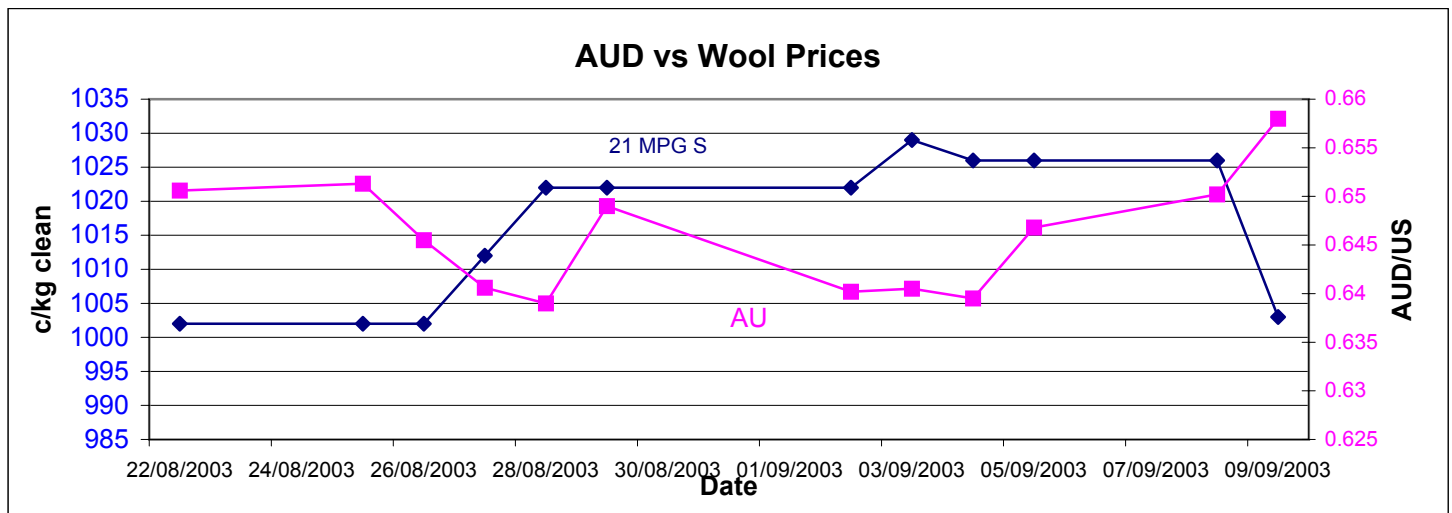
Comments: Evonne Luton (Wooltrade)



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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	1024	1000	1000	993	990	974	916	626	489	503
90%	793	650	523	469	434	427	416	394	339	261
80%	888	697	555	498	477	467	450	420	367	292
70%	945	724	610	544	510	487	467	448	399	333
60%	976	746	644	595	532	511	485	468	435	359
50%	1044	768	666	634	570	547	531	497	456	393
40%	1090	813	693	660	608	584	563	518	475	434
30%	1173	870	736	693	633	611	591	547	493	463
20%	1261	942	874	767	692	688	842	600	528	495
10%	1339	1021	1011	1014	1004	995	966	730	570	583





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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
Oct-03	3	1060	36	1030	30	1020	20	1015	22	1000	10	985		940	24	630	4
Dec-03	13	1065	41	1030	30	1020	20	1015	22	1000	10	985		940	24	630	4
Feb-04	18	1070	46	1030	30	1020	20	1010	17	995	5	980		935	19	630	4
Apr-04	28	1070	46	1030	30	1020	20	1010	17	995	5	980		930	14	630	4
Jun-04	38	1070	46	1025	25	1010	10	995	2	980	-10	965		915	-1	630	4
Aug-04	38	1070	46	1025	25	1005	5	990	-3	970	-20	955		905	-11	630	4
Oct-04	53	1075	51	1015	15	995	-5	975	-18	955	-35	940		890	-26	610	-16
Dec-04	73	1075	51	1005	5	985	-15	965	-28	945	-45	930		880	-36	600	-26
Feb-05	83	1075	51	990	-10	970	-30	950	-43	930	-60	910		860	-56	580	-46
Apr-05	88	1062	38	973	-27	950	-50	929	-64	909	-81	889		840	-76	573	-53
Jun-05	98	1048	24	960	-40	930	-70	906	-87	887	-103	866		820	-96	569	-57
Aug-05	108	1032	8	947	-53	910	-90	884	-109	866	-124	844		800	-116	565	-61

