



## JEMALONG WOOL BULLETIN

(week ending 12/01/2006)

Table 1: Northern Market Prices

Micron Price Guides	Current Price	Weekly Change	10-yr Average	Price as % of Ave	This time last year	Year high	Year low
North Ind	658	13	762	86%	760	746	642
18	926	23	1354	68%	1013	1007	900
18.5	859	26	1071	80%	984	977	832
19	819	38	1029	80%	952	921	779
19.5	766	25	1018	75%	903	850	736
20	711	20	830	86%	846	806	684
21	665	7	747	89%	786	776	657
22	659	4	707	93%	760	761	648
23	648	2	670	97%	729	750	640
24	637	0	650	98%	693	698	631
25	592	2	615	96%	593	643	590
26	538	2	582	92%	560	580	536
28	430	5	518	83%	481	480	424
30	394	4	468	84%	436	444	390
32	369	0	444	83%	395	406	369
MC	400	20	416	96%	444	441	380

### NORTHERN MARKET REPORT -

Australian Dollar 75.56 US as of 12/01/2006

Wishing everybody all the best for 2006 and a more positive wool market.

This year's first auction sale opened with nearly 30,00 bales rostered for the week in Melbourne on Tuesday 10/01/06.

The 7,619 bales offered on Tuesday consisted of 9.9% re offered wool. **Despite the AUD trading 75.22US the market opened slightly firmer as most predicted.**

The Mer fleece generally gained 2-3c/kg with strong support shown in the 18.0 mic area which gained 6 cents / kg. Also as many predicted the merino skirting's closed around 10 cents dearer on the better style lower VM lots. A small selection of XB's saw marginal gains with strongest support shown for 28Mic types. Locks were between 5-8 cents dearer and crutchings remained in sellers favour. Pass in rate was 8.9% and major buyers were Modiano , Fox & Lillie, Techwool, Itochu, AS Gedge and H Dawson

**The Southern market opened on Wednesday** with 9,900 bales offered, of which 2.6% (260 bales) was reoffered wool. It was pleasing to see the market open with very strong support for the 19.0 and finer which was trading 10+ cents dearer. The 19.5 to 23 micron all opened dearer with the strongest support shown in the 19.5-21.5 which was trading 7 cents firmer. Skirtings and XB's opened fully firm. **Pass in rate was 6.9% with major buyers** Techwool, Itochu, Fox & Lillie, Lempriere & Modiano.

**Sales resumed in Melbourne on Thursday and the market remained firm** for the 10,302 bales offered. The finer merino fleeces were generally 5-10c/kg dearer, 19-21 4c/kg clean dearer. The Merino Skirtings were unchanged to sellers favour except the 20-22 Mic lower VM types which were slightly dearer. Crossbreds also came under pressure and fell 4-5c/kg clean, however the offering was less stylish than yesterday. All oddments recorded gains between 5-10c/kg clean. The **pass in rate for Thursday was 12.9%** and **major buyers** were Techwool, Itochu, Kathaytex, AS Gedge, Fox & Lillie and Quality Wool.

**The first auction sale for 2006 in Sydney** had 15,500 bales rostered for the 2 day sale. Wednesday opened with 8,698 bales offered of which 21% was reoffered wool and consisted of wool mainly from Qld, the tablelands, central west and western NSW. The AUD was trading 1/2cent below yesterday's level and generally the market opened 10c/kg dearer. The 19.0 and finer opened around 15c firmer, the 19.5 to 21.5 opened 7-10 cents dearer, the 28-32Mic XB's opened around 5 cents firmer and the Locks and crutchings gained solid support been some 15-20 cents dearer. Major buyers were Techwool, Southern Cross, BWK Elders, Modiano and Morpen. The pass in rate was 9.1%

**On Thursday Sydney** had 6,460 bales offered (9.6% / 620 bales re offered wool) and again the market opened firm with the finer end again receiving the most support. The Mer Flc 18.5 and finer rose 15-18 c/kg clean, 18.5-19.5 Mic 22-25 c/kg firmer, 19.5-20.5 between 10-14 firmer and all other other micron catagories were slightly firmer. Mer Skirtings were sought after with the 18-19.0 mic better style and length (5% VM and less) gaining 12-16 cents/kg clean., the 20 Mic skirts recorded 10c/kg clean rises. Crossbreds also recorded good support especially the 26-30.0 Mic XB's which rose 2 c/kg. All carbo locks and crutchings recorded gains between 5-10c/kg clean. The **pass in rate for Thursday was a low 4.0%** and **major buyers** were Techwool, AS Gedge, BWK Elders, Southern Cross and Modiano.

**Fremantle' first sale of the year opened on Wednesday with 8,600 bales offered** (22.1% / 1909 bales was reoffered wool)

The market opened in similar style to the other regions which saw increases for most micron categories with the strongest support shown in the 22-23.0 Micron Flc which recorded gains of 23-25 c/kg (clean). The 18.5-19.5 Flc rose by 10-12 c/kg (cln), the 19.5-20.5 rose 5-7 c/kg, the 24 mic increased 5 cents and 2-3 cent increase occurred with all other micron categories. The Mer skirtings remained fully firm with the broader types attracting the least support. Good style (low VM) Locks attracted very solid support with gains of 25c /kg and all other locks recorded gains of around 15c/kg clean. Michells were very strong in all the cardings after they were considerably quite in the previous 3 sales. Crutchings increased by around 5 c/kg cln. with was slightly mixed on Wednesday with 18-20 microns easing a further 3c/kg clean while 21 micron and broader were up to 5c/kg clean dearer. Major buyers: PJ Morris, Michells, Modiano, Lempriere and H Dawson. The pass-in rate for Wednesday was 12.8%.

**The Western market opened slightly firmer on Thursday in what has been a positive start to the new year in all regions.** In line with the other regions, the finer end recorded the strongest support with 19-19.5 rising by 8- 10 cents. All other Mer flc were fully firm to 2c/kg clean dearer. Mer Skirts opened 5-10 c/kg clean cheaper across the board and closed 5c/kg easier. The 19-19.5 mic23 microns and finer were generally 2-3c/kg clean dearer while 24-26 microns continued to ease further. The locks and crutchings were slightly firmer with the lower VM types again strongly supported. There was 10,263 bales offered today (2,067 bales reoffered) **Major buyers:** PJ Morris, Modiano, Kathaytex, BWK Elders H Dawson and Dewavrin The pass-in rate for Thursday was a high 22.0%.

**Next Week:** All centers are selling with a three day sale in Melbourne. Sydney & Fremantle are selling on Wednesday & Thursday with approximately 62,500 bales rostered nationally.

**Wooltrade will continue to provide growers access to the market and growers can benefit from this constant market exposure, particularly if any favourable market conditions (such as a fall in the Australian dollar) occur. Please consider the opportunities that are available by listing on Wooltrade with a targeted selling strategy.**

(Comments: Brian Vagg - Wooltrade)

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

Disclaimer: While all due care has been taken in the preparation of this document, no warranty is made as to its accuracy, reliability or completeness. To the extent permitted by law, neither Jemalong Wool,

National Australia Bank, Sydney Futures Exchange or the Commonwealth Bank and its subsidiaries, and their staff, accept liability to any person for loss or damage arising from the use of the information contained herein.

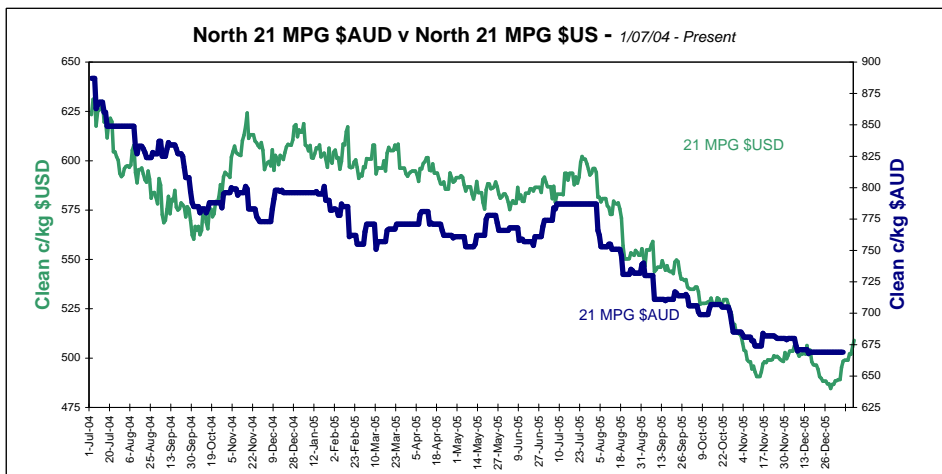
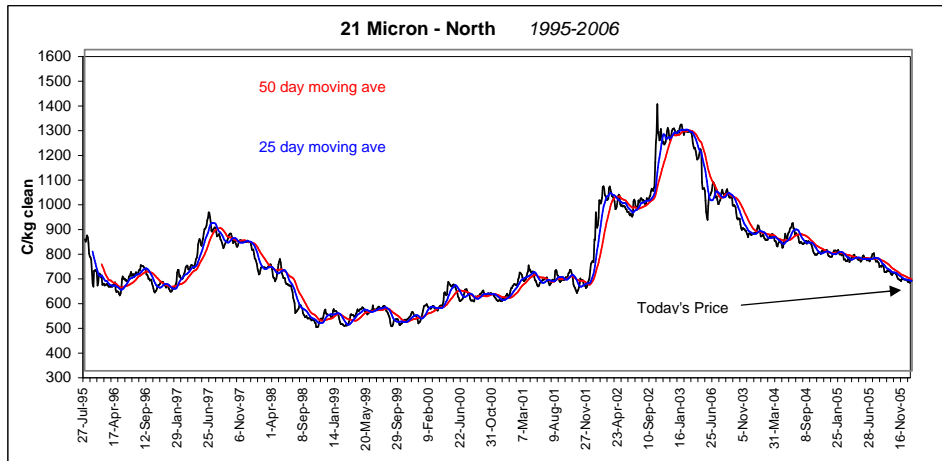


## JEMALONG WOOL BULLETIN

(week ending 12/01/2006)

Table 2: Northern Market Deciles

Micron Price Guide (1995-2005)										
	19	20	21	22	23	24	25	26	28	MC
Current	819	711	665	659	648	637	592	538	430	400
90%	808	672	534	477	446	438	431	398	343	280
80%	888	712	593	529	499	480	461	438	383	320
70%	931	735	643	593	531	510	482	460	397	367
60%	958	765	669	640	578	555	534	472	418	400
50%	990	805	701	669	623	603	571	498	439	426
40%	1036	843	752	711	660	648	598	520	457	437
30%	1091	886	820	743	710	678	642	543	480	453
20%	1218	935	874	840	806	766	695	585	501	481
10%	1319	1006	1003	1001	998	982	948	708	561	548



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

Disclaimer: While all due care has been taken in the preparation of this document, no warranty is made as to its accuracy, reliability or completeness. To the extent permitted by law, neither Jemalong Wool, National Australia Bank, Sydney Futures Exchange or the Commonwealth Bank and its subsidiaries, and their staff, accept liability to any person for loss or damage arising from the use of the information contained herein.



# JEMALONG WOOL BULLETIN

(week ending 12/01/2006)

**Table 3: National Australia Bank - Wool Swaps**

NAB Wool Swaps																
12-Jan-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
Jan-06	875	-51	795	-24	693	-18	655	-10	645	-14	630	-18	610	-27	395	-35
Feb-06	880	-46	805	-14	693	-18	660	-5	650	-9	635	-13	615	-22	395	-35
Mar-06	885	-41	810	-9	695	-16	665	0	655	-4	640	-8	620	-17	390	-40
Apr-06	895	-31	810	-9	698	-13	665	0	658	-1	645	-3	615	-22	400	-30
May-06	900	-26	815	-4	703	-8	670	+5	663	+4	645	-3	615	-22	395	-35
Jun-06	910	-16	825	+6	708	-3	675	+10	663	+4	645	-3	615	-22	390	-40
Jul-06	915	-11	835	+16	713	+2	680	+15	665	+6	645	-3	618	-20	390	-40
Aug-06	920	-6	840	+21	718	+7	685	+20	665	+6	648	0	620	-17	395	-35
Sep-06	925	-1	835	+16	718	+7	690	+25	668	+9	650	+2	623	-15	395	-35
Oct-06	925	-1	843	+24	720	+9	695	+30	670	+11	650	+2	625	-12	395	-35
Nov-06	935	+9	848	+29	723	+12	705	+40	673	+14	655	+7	628	-10	400	-30
Dec-06	943	+17	855	+36	725	+14	710	+45	677	+18	658	+10	630	-7	400	-30
Jan-07	949	+23	859	+40	727	+16	712	+47	679	+20	659	+11	632	-6	404	-26
Feb-07	951	+25	861	+42	728	+17	713	+48	678	+19	661	+13	633	-4	408	-22
Mar-07	952	+26	862	+43	732	+21	717	+52	677	+18	662	+14	635	-3	407	-23

**Table 4: Commonwealth Bank of Australia - Wool Futures**

CBA Wool Futures Quotes																		
12-Jan-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
Jan-06	885	-41	795	-24	695	-16	670	+5	660	+1	650	+2	635	-2	600	8	425	-5
Feb-06	890	-36	805	-14	700	-11	680	+15	665	+6	650	+2	635	-2	600	8	425	-5
Mar-06	895	-31	810	-9	705	-6	685	+20	665	+6	650	+2	635	-2	600	8	425	-5
Apr-06	900	-26	815	-4	710	-1	690	+25	670	+11	650	+2	635	-2	600	8	435	+5
May-06	905	-21	820	+1	715	+4	695	+30	675	+16	650	+2	635	-2	600	8	435	+5
Jun-06	910	-16	825	+6	720	+9	700	+35	675	+16	650	+2	635	-2	600	8	435	+5
Jul-06	915	-11	830	+11	725	+14	705	+40	680	+21	650	+2	640	+3	600	8	435	+5
Aug-06	920	-6	835	+16	730	+19	710	+45	680	+21	655	+7	640	+3	600	8	435	+5
Sep-06	925	-1	840	+21	730	+19	715	+50	685	+26	655	+7	640	+3	600	8	440	+10
Oct-06	930	+4	850	+31	735	+24	720	+55	685	+26	660	+12	640	+3	600	8	440	+10
Nov-06	940	+14	855	+36	740	+29	720	+55	690	+31	660	+12	640	+3	600	8	440	+10
Dec-06	950	+24	855	+36	745	+34	720	+55	690	+31	660	+12	640	+3	600	8	440	+10
Jan-07	960	+34	860	+41	750	+39	725	+60	695	+36	660	+12	640	+3	600	8	445	+15
Feb-07	970	+44	865	+46	755	+44	730	+65	700	+41	660	+12	640	+3	600	8	450	+20
Mar-07	980	+54	865	+46	760	+49	735	+70	700	+41	660	+12	640	+3	600	8	455	+25

**Table 5: Sydney Futures Exchange - Wool Futures Prices**

SFE FUTURES PRICES						
12-Jan-06						
Month	19 MIC	Prem/ Disc	21 MIC	Prem/ Disc	23 MIC	Prem/ Disc
Mar-06	818	-1	714	+49	655	+7
May-06	829	+10	727	+62	654	+6
Jul-06	848	+29	730	+65	651	+3
Sep-06	858	+39	735	+70	651	+3
Nov-06	862	+43	746	+81	639	-9
Jan-07	868	+49	757	+92	639	-9
Mar-07	883	+64	757	+92	632	-16
May-07	898	+79	757	+92	632	-16
Jul-07	882	+63	757	+92	632	-16

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

Disclaimer: While all due care has been taken in the preparation of this document, no warranty is made as to its accuracy, reliability or completeness. To the extent permitted by law, neither Jemalong Wool, National Australia Bank, Sydney Futures Exchange or the Commonwealth Bank and its subsidiaries, and their staff, accept liability to any person for loss or damage arising from the use of the information contained herein.

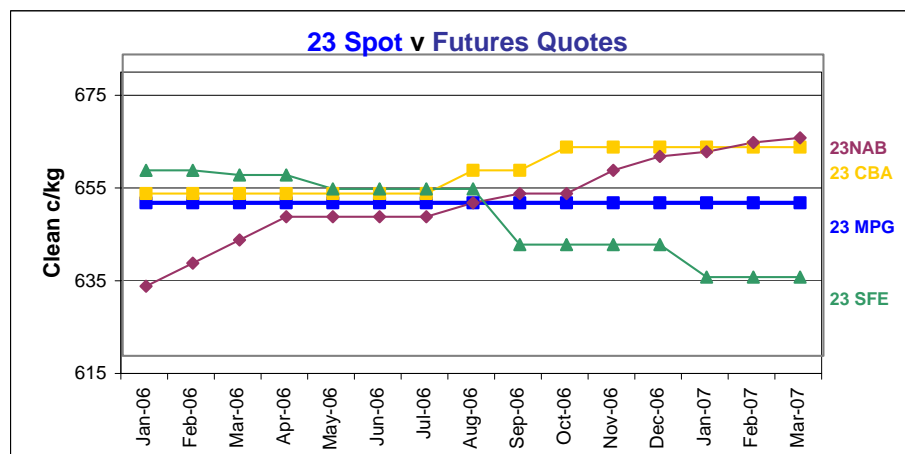
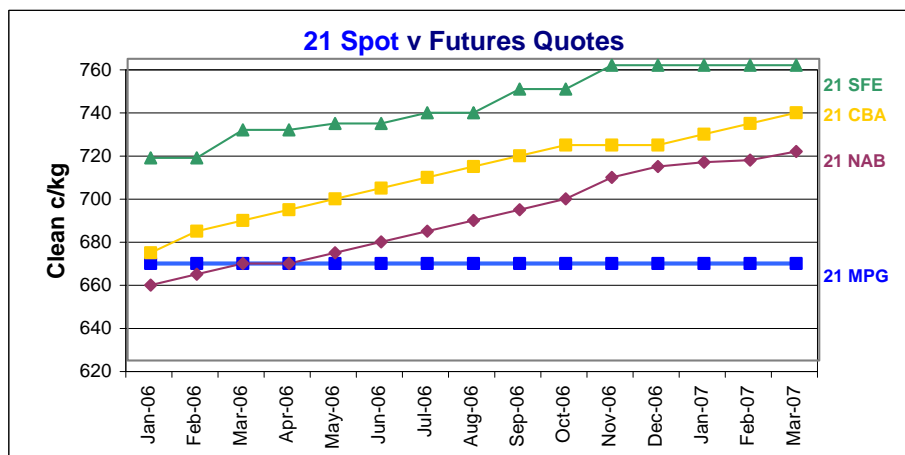
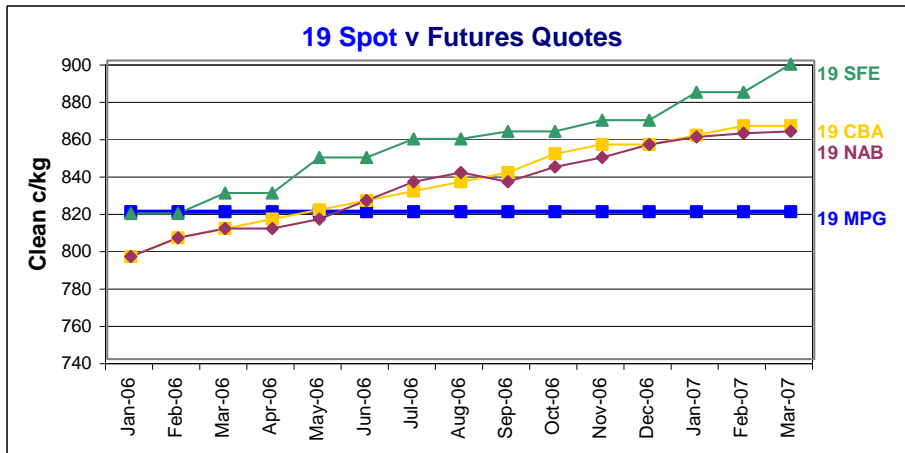
This document does not take into account your financial objectives and circumstances. You should assess whether the information is appropriate in light of your financial circumstances or contact your financial advisor.



# JEMALONG WOOL BULLETIN

(week ending 12/01/2006)

## Futures Graphs



Source: AWEX, Commonwealth Bank of Australia.

Disclaimer: While all due care has been taken in the preparation of this document, no warranty is made as to its accuracy, reliability or completeness. To the extent permitted by law, neither Jemalong Wool, Woollade Australia Pty Ltd or the Commonwealth Bank and its subsidiaries, and their staff, accept liability to any person for loss or damage arising from the use of the information contained herein.

This document does not take into account your financial objectives and circumstances. You should assess whether the information is appropriate in light of your financial circumstances or contact your financial advisor.