



# JEMALONG WOOL BULLETIN (week ending 17/01/02)

**Table 1: Northern Market Prices**

Micron Price Guides	Current MPG Price	Weekly Change	10-yr Average	Current Price to Average
Indicator	946	74	686	138%
19	1206	32	1026	118%
20	932	62	760	123%
21	905	75	644	140%
22	899	74	590	152%
23	889	85	542	164%
24	881	98	525	168%
25	752	41	505	149%
26	708	79	486	146%
28	615	31	473	130%
30	568	20	441	129%
32	550	34	429	128%
MC	616	60	354	174%

## MARKET REPORT AND OUTLOOK:

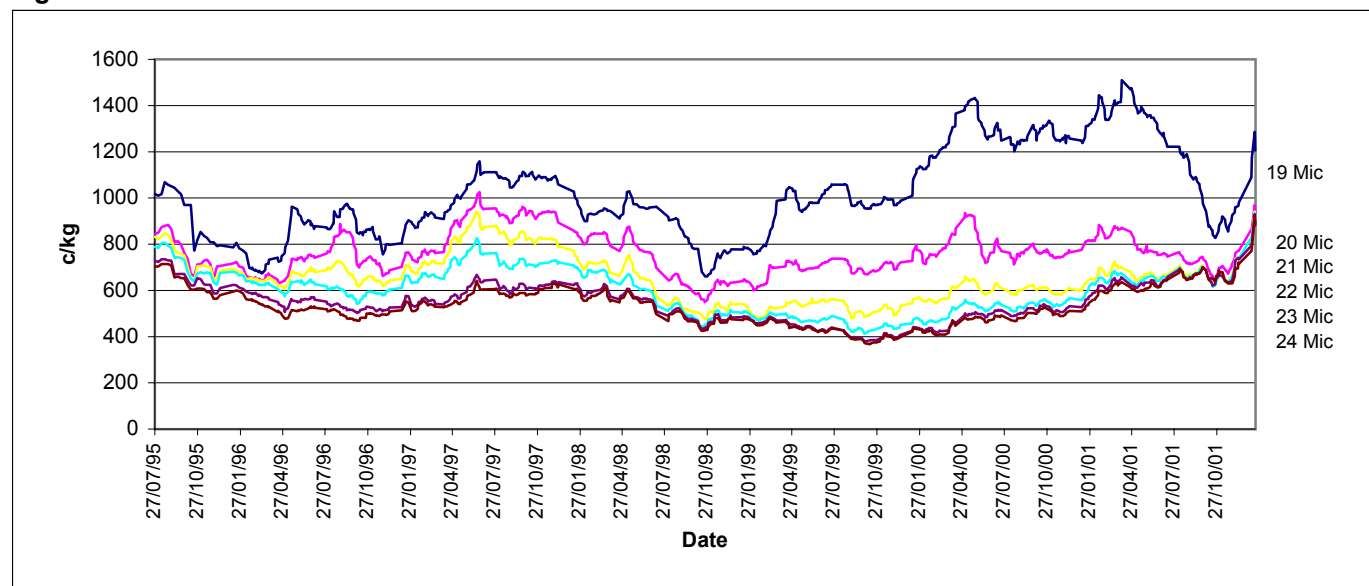
After a dramatic lift in prices last week, the market again witnessed a further extreme jump in levels on Wednesday in both the Northern and Southern auction markets (anyone with an eye on the futures market would have seen a dramatic lift in futures prices Monday/Tuesday). After jumps of 80-100c/kg clean on Wednesday, the market correct a little on Thursday for the broader types 23-24 micron but remained fully firm on other types. Superfines continue to rise, and some prices for 15.0-16.5 traded on Wooltrade were to extreme, reaching prices near highs set nearly 12 months ago. Most affected are the better style sound wools, free of fault. The Northern market retraced further than the South on Thursday, but in effect only to come back in lines with the price quotes out of the Southern market. No Western market this week, but sales reflecting the higher prices of the East were made through Wooltrade.

Skirtings prices also increased up to 8%, whilst carding wools continue to trade at levels not seen in the past 8 years, clean prices now in excess of 615/kg.

The squeeze on supply is having its obvious effects on price. Lack of supply together with increased demand from Western Europe and Japan have pushed prices to extreme levels. A small correction is likely as buyers reassess, however, the lack of supply will continue to put pressure on prices in the short/medium term. With price hikes of the last week, many growers holding stock have sold or have booked wool into auction for next week. Next week's auction volumes are nearing 100,000 nationally and will put some pressure on the market. If this were to occur however, a decline in price by 30-40c/kg is likely to see China re-enter the market and provide a pseudo floor price against prices falling too far.

Comments: Evonne Luton

**Figure 1: Northern MPG Movement**





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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	1206	932	905	899	889	881	752	615	550	616
90%	779	642	514	464	426	422	412	386	332	253
80%	862	685	545	485	464	456	438	408	354	275
70%	916	712	582	521	495	477	456	436	383	292
60%	954	728	616	549	515	494	472	452	411	323
50%	979	747	645	599	533	512	484	469	439	350
40%	1045	766	663	631	565	542	521	494	456	372
30%	1097	793	682	653	596	576	548	510	472	407
20%	1248	845	710	673	621	600	570	533	488	432
10%	1321	910	809	710	643	630	599	551	503	458

23 Micron - North  
1995-2001

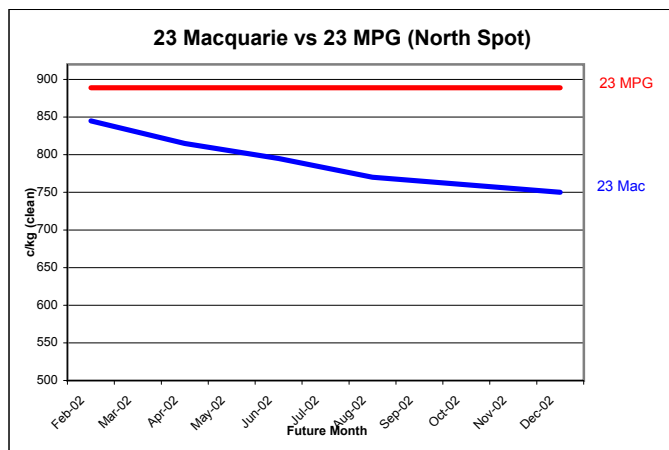
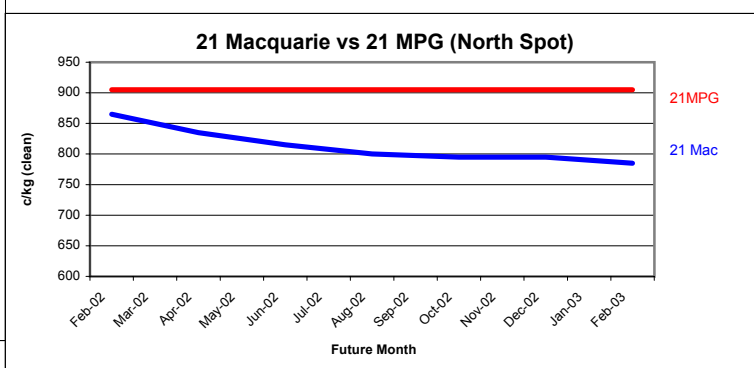
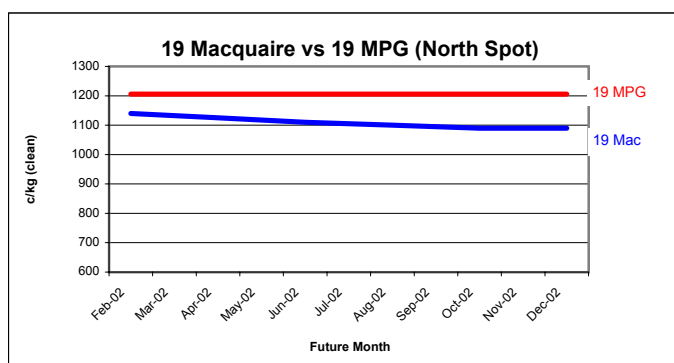




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Macquarie Wool Futures

Delivery Month	19	Diff. to Spot	20	Diff. to Spot	21	Diff. to Spot	22	Diff. to Spot	23	Diff. to Spot	24	Diff. to Spot
Feb-02	1140	-66	870	-62	865	-40	855	-44	845	-44	835	-46
Apr-02	1125	-81	850	-82	835	-70	825	-74	815	-74	805	-76
Jun-02	1110	-96	830	-102	815	-90	805	-94	795	-94	785	-96
Aug-02	1100	-106	815	-117	800	-105	775	-124	770	-119	765	-116
Oct-02	1090	-116	815	-117	795	-110	770	-129	760	-129	755	-126
Dec-02	1090	-116	810	-122	795	-110	770	-129	750	-139	745	-136
Feb-03	1080	-126	815	-117	785	-120	760	-139	740	-149	735	-146
Apr-03	1080	-126	815	-117	780	-125	750	-149	730	-159	725	-156
Jun-03	1080	-126	815	-117	780	-125	750	-149	730	-159	715	-166



SFE						
Delivery Month	19	Diff. to Spot	21	Diff. to Spot	23	Diff. to Spot
Feb-02	1050	-121	736	-166	720	-150
Apr-02	1050	-121	723	-179	720	-150
Jun-02	1040	-131	713	-189	704	-166
Aug-02	1098	-73	715	-187	700	-170
Oct-02	1075	-96	725	-177	690	-180
Dec-02	1008	-163	720	-182	700	-170
Feb-03	973	-198	715	-187	685	-185
Apr-03	1028	-143	707	-195	677	-193
Jun-03	995	-176	715	-187	789	-81