



JEMALONG WOOL BULLETIN
(week ending 19/02/2004)

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
Ind	774	-15	766	101%	1173	945	774
18.5	932	-14	1176	79%	1397	1088	846
19	920	-6	1051	88%	1318	1053	889
19.5	906	1	1018	89%	1287	1047	877
20	869	-3	832	104%	1274	1036	862
21	829	-6	743	112%	1265	1035	829
22	792	-17	700	113%	1250	1034	792
23	774	-23	661	117%	1237	1029	774
24	741	-17	643	115%	1219	1015	741
25	675	-14	612	110%	1098	938	675
26	649	-8	581	112%	1012	880	636
28	494	-6	524	94%	700	647	494
30	420	-5	473	89%	623	550	418
32	378	-2	452	84%	588	510	373
MC	408	-32	415	98%	651	514	408

Australian Dollar 0.7915

NORTHERN REGION MARKET REPORT

Auction sales continued in Sydney, Fremantle and Melbourne this week.

Sales opened nationally in Melbourne on Tuesday with a broader offering after last weeks specialty superfine sale in Launceston. 18.5-19 micron fleece prices were 5c/kg clean firmer on Tuesday while 20-21 micron prices were down 5c/kg clean. Merino skirtings were up to 30c/kg clean cheaper on Tuesday compared to last weeks superfine selection, with better style longer pieces less affected than poorer styles.

Sales opened in Sydney on Wednesday and prices fell 5-10c/kg clean for the finer merino fleeces and around 15c/kg clean for 22 micron and broader fleeces. Crossbreds were around 5-10c/kg clean cheaper. The better style, lower VM skirtings were around 20c/kg clean cheaper while 8% and higher VM pieces were 40c/kg clean cheaper.

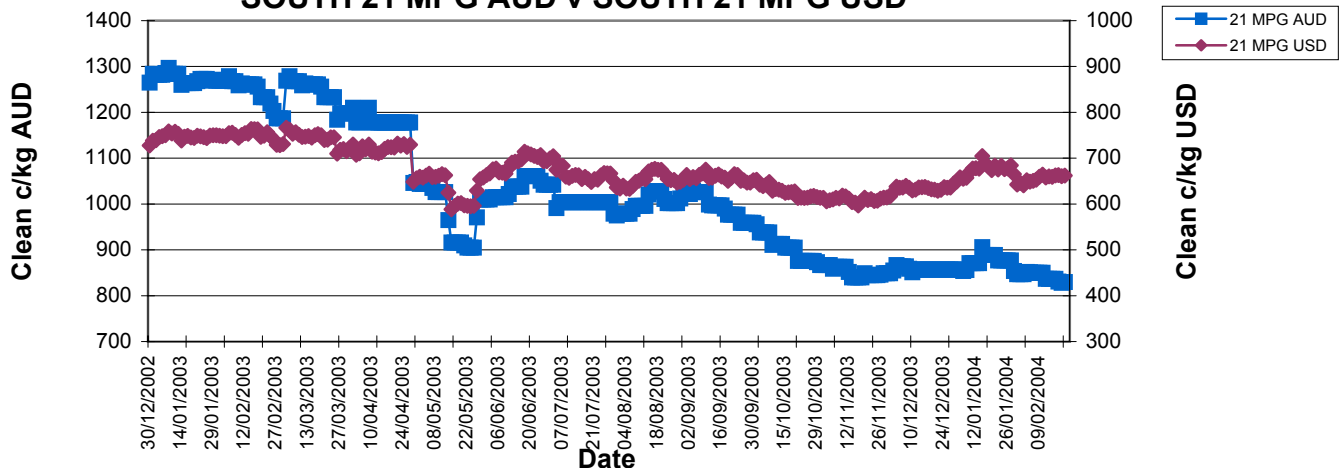
On Thursday fleece prices were generally unchanged. 18 microns were down a further 9c/kg clean while 19.5-20 microns were up 5c/kg clean. Higher VM merino skirtings were around 5-10c/kg cheaper again. Crossbred fleeces were generally unchanged. It is interesting to note that high strength (+45NKT), low mid break (<40%) lots continue to remain in demand, and are less affected by the easing prices than fleeces with slight faults.

The Australian dollar continued to rise this week, reaching 80cUS briefly on Wednesday night before easing back towards 79cUS on Thursday. The graph below illustrates how wool prices in US dollar terms (the red line) have remained steady since mid-2003, despite prices in Australian dollars (the blue line) falling. While demand remains relatively weak each any rises in the Australian dollar affects the amount of new business written at the higher US dollar levels.

Sales continue in Melbourne and Fremantle next week and the final specialty fine wool sale for the season in Newcastle. The smaller offering in Melbourne and the fine wool sale in Newcastle may result in increased competition for broader wools and hopefully broader prices will remain firm in next weeks sales.

Comments: Phil Roberts (Wooltrade).

SOUTH 21 MPG AUD v SOUTH 21 MPG USD



Source: AWEX, SFE, Macquarie Bank

Disclaimer: While all due care has been taken in preparation of this document, no responsibility is taken by "broker" or its staff for the accuracy of the information contained herein.



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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	920	869	829	792	774	741	675	649	494	408
90%	793	650	523	469	434	427	416	394	339	261
80%	888	697	555	498	477	467	452	420	367	292
70%	945	728	610	544	510	487	472	448	399	333
60%	976	746	644	595	532	511	495	468	435	359
50%	1044	768	666	634	570	547	540	497	456	393
40%	1090	813	693	660	608	584	570	518	475	434
30%	1173	870	736	693	633	611	640	547	493	463
20%	1261	942	874	767	692	688	828	600	528	495
10%	1339	1021	1011	1014	1004	995	964	730	570	583

23 Micron -North
1995-2004





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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
Feb-04	1000	925	5	865	-4	830	1	790	-2	765	-9	730	-11	680	5	495	1
Apr-04	1030	965	45	880	11	840	11	790	-2	760	-14	730	-11	670	-5	495	1
Jun-04	1055	990	70	880	11	840	11	785	-7	760	-14	720	-21	670	-5	495	1
Aug-04	1065	990	70	880	11	840	11	790	-2	760	-14	720	-21	670	-5	495	1
Oct-04	1090	1010	90	887	18	840	11	795	3	755	-19	715	-26	675	0	495	1
Dec-04	1105	1010	90	892	23	845	16	795	3	755	-19	720	-21	680	5	495	1
Feb-05	1115	1020	100	903	34	854	25	806	14	765	-9	731	-10	691	16	505	11
Apr-05	1125	1035	115	914	45	862	33	817	25	775	1	740	-1	697	22	510	16
Jun-04	1055	990	70	880	11	840	11	785	-7	760	-14	720	-21	670	-5	495	1
Aug-05	1145	1035	115	925	56	865	36	825	33	780	6	750	9	705	30	515	21
Oct-05	1158	1035	115	925	56	865	36	825	33	780	6	750	9	705	30	515	21
Dec-05	1167	1035	115	925	56	865	36	825	33	780	6	750	9	705	30	515	21

