



JEMALONG WOOL BULLETIN
(week ending 22/01/2004)

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	822	-11	766	107%	1164	945	792
18.5	1005	-5	1188	85%	1381	1088	911
19	989	-5	1052	94%	1327	1053	889
19.5	962	-12	1018	94%	1291	1047	877
20	901	-28	832	108%	1268	1036	862
21	868	-18	742	117%	1255	1035	841
22	840	-29	699	120%	1246	1034	836
23	799	-23	660	121%	1237	1029	796
24	761	-27	642	119%	1205	1015	761
25	697	4	611	114%	1086	938	690
26	647	6	581	111%	1006	880	636
28	512	4	524	98%	708	647	502
30	435	-2	474	92%	606	550	432
32	376	-4	452	83%	564	510	376
MC	470	1	415	113%	662	514	440

Australian Dollar 0.7723

NORTHERN REGION MARKET REPORT

Auction sales were held in Sydney and Melbourne this week with no sales in Fremantle. The national offering this week was larger than last week with approximately 40,000 bales on offer.

After last week's very positive rises, the market lost some ground this week with prices generally weaker when sales opened on Wednesday. Merino fleece prices were generally down between 5-10c/kg clean while merino skirtings were around 15c/kg clean dearer. Crossbred fleeces were generally unchanged. The passed-in rate on Wednesday was a relatively low 12%.

On Thursday the market lost some more ground with Merino fleece prices down 5-10c/kg clean, with the most affected being 20 and 22 micron fleece wools which were down 20c/kg clean. The crossbred fleeces were generally unchanged. Merino skirtings rose another 5-10c/kg clean. The passed-in rate on Thursday was 14%.

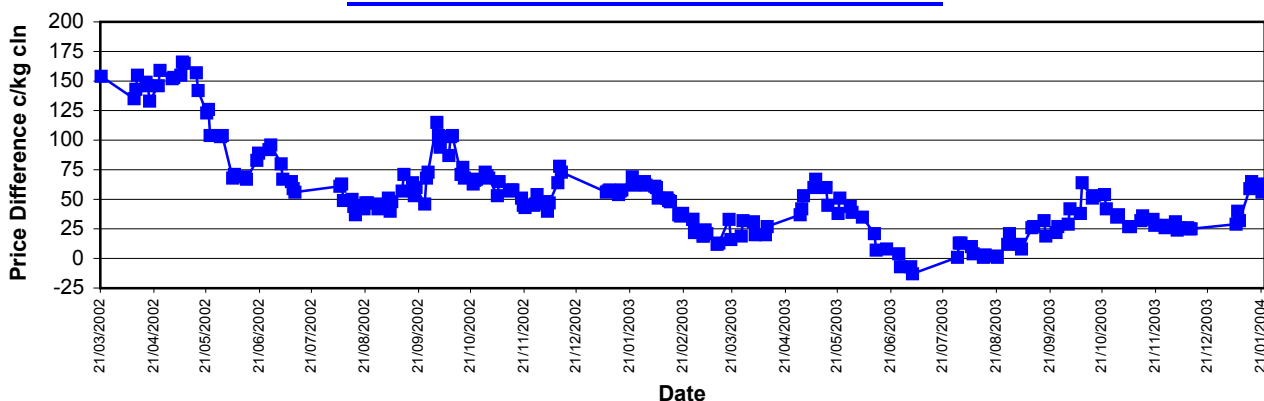
The price variances over the last two weeks have reflected the volatility that exists in the current wool market and illustrates just how important demand is to wool prices. You will notice that there is a new chart below in this week's report. The increase in demand last week pushed prices higher despite the Australian dollar also continuing to rise, and this week prices have fallen despite the Australian dollar falling earlier this week. Factors such as the level of the dollar are used to try and predict what may happen to demand, but because future demand is hard to determine uncertainty remains when trying to predict wool prices. This week's chart shows the c/kg clean difference between 19 and 20 micron prices since 2002. It is interesting to note that this gap is starting to widen again after closing dramatically during 2003.

Macquarie Wool Futures quotes were firmer on Monday and Tuesday as the Australian dollar dropped, and quotes fell on Wednesday and Thursday in line with the spot market.

Sales continue in Sydney and Melbourne and Fremantle next week.

Comments: Phil Roberts.(Wooltrade)

19-20 Southern Micron Price Differential



Source: AWEX, SFE, Macquarie Bank

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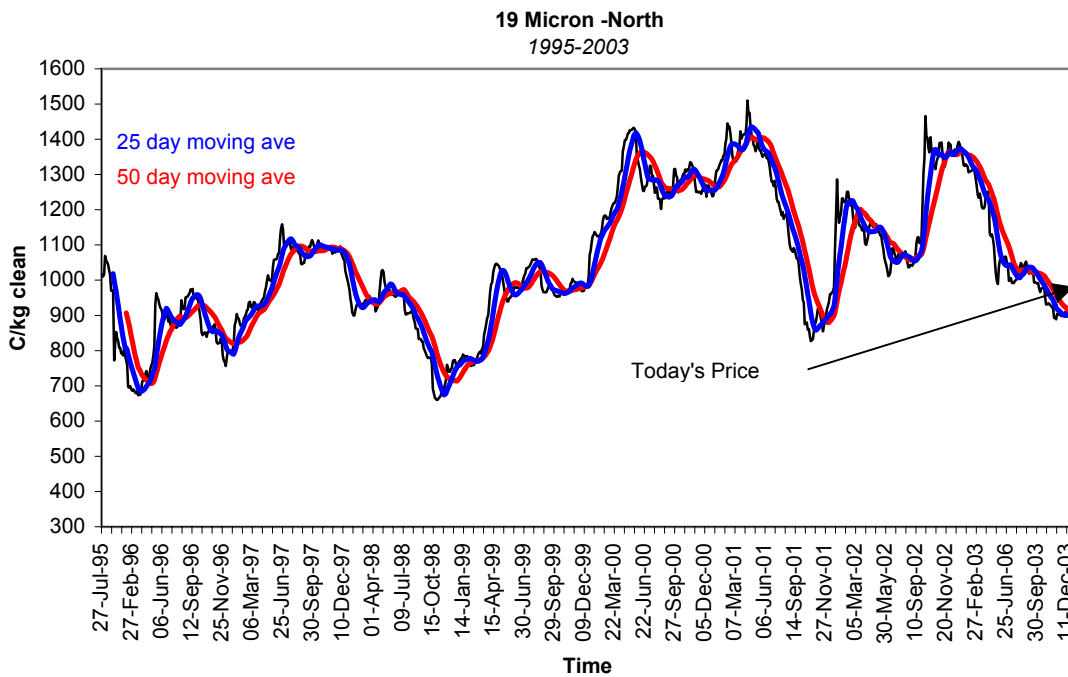


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Table 3: Northern Market Deciles

Micron Price Guide (1995-2003)

	19	20	21	22	23	24	25	26	28	MC
Current	989	901	868	840	799	761	697	512	376	470
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	471	448	399	333
60%	976	746	644	595	532	511	494	468	435	359
50%	1044	768	666	634	570	547	537	497	456	393
40%	1090	813	693	660	608	584	569	518	475	434
30%	1173	870	736	693	633	611	632	547	493	463
20%	1261	942	874	767	692	688	843	600	528	495
10%	1339	1021	1011	1014	1004	995	964	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
Jan-04	1030	1000	11	915	14	870	2	835	-5	785	-14	745	-16	680	-17	510	-2
Mar-04	1035	1005	16	920	19	875	7	835	-5	785	-14	745	-16	680	-17	510	-2
May-04	1035	1010	21	920	19	870	2	830	-10	780	-19	740	-21	680	-17	510	-2
Jul-04	1045	1025	36	925	24	870	2	830	-10	780	-19	740	-21	680	-17	510	-2
Sep-04	1065	1050	61	940	39	880	12	830	-10	780	-19	740	-21	690	-7	510	-2
Nov-04	1075	1060	71	940	39	885	17	840	0	785	-14	745	-16	690	-7	510	-2
Jan-05	1080	1055	66	940	39	880	12	840	0	795	-4	750	-11	690	-7	520	8
Mar-05	1075	1045	56	935	34	870	2	840	0	800	1	755	-6	700	3	520	8
May-05	1075	1040	51	930	29	870	2	840	0	800	1	755	-6	700	3	520	8
Jul-05	1075	1040	51	920	19	870	2	840	0	800	1	770	9	700	3	520	8
Sep-05	1097	1035	46	919	18	869	1	839	-1	810	11	770	9	700	3	520	8
Nov-05	1113	1032	43	918	17	868	0	838	-2	810	11	770	9	700	3	520	8

