



JEMALONG WOOL BULLETIN  
(week ending 23/05/02)

**Table 1: Northern Market Prices**

Micron Price Guides	Current MPG Price	Weekly Change	10-yr Average	Current Price to Average
Indicator	907	-14	705	129%
19	1065	-62	1034	103%
20	944	-16	774	122%
21	943	-10	664	142%
22	941	-10	613	153%
23	939	-11	568	165%
24	936	-10	552	170%
25	915	-3	530	173%
26	885	0	509	174%
28	750	8	488	154%
30	634	9	452	140%
32	570	0	438	130%
MC	510	-8	375	136%

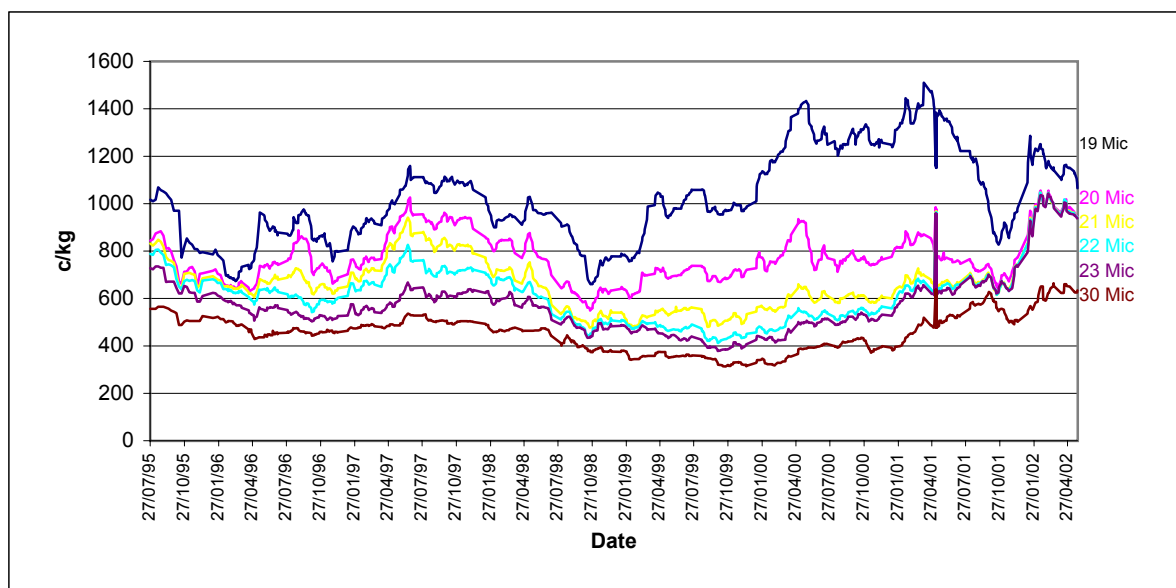
The market was cheaper across all microns this week with the fine wools being hardest hit. 19 micron fell on average 20c/kg clean each day, while the falls for other microns occurred more on Tuesday Wednesday. The crossbred types saw some renewed demand on Thursday, while 20-23 were also quoted 3c/kg clean dearer. Skirtings were not as affected as the fleece wools, falling in price by 5c/kg on Wednesday, unchanged on Thursday.

Reduced demand resulting from an increasing dollar has been proven to have had a strong effect in the market this week. In general, a rule of thumb quoted is that a 1c rise in the Australian dollar against the US increases the cost of 19 micron by 22-24c/kg and 21-24micron by 12-14c/kg. At current levels then, a 1c rise in the Aussie dollar results in about a 1.5% increase in the cost of purchasing wool. Since February prices for 21 micron have fallen by 7% whilst the dollar has risen 4.5c. The relationship stands that for each 1c rise in the dollar from Feb to current equates to a 1.5% decline in wool prices. In effect, wool is still costing the purchaser the same amount as when prices were peaking in February? It is not quite as simple as this but. There are other compounding factors that are certainly casting a negative mood across the market, those primarily from processors whose demand and processing quantities have declined. On the other side of the coin, where production was 550million grsy kilos last year, it is expected to be nearer to 500m kilos this year. Stocks held are also down however, ultimately it is demand that drives the prices.

Macquarie Wool Futures were quoted down this week particularly for 19 micron, now at levels around 1050c/kg clean for the spring. 21-23 micron continue to hover around 890c/kg clean for spring.

Comments: Evonne Luton

**Figure 1: Northern MPG Movement**





JEMALONG WOOL BULLETIN  
(week ending 23/05/02)

Table 3: Northern Market Deciles

Micron Price Guide (1995-2002)										
	19	20	21	22	23	24	25	28	32	MC
Current	1065	944	943	941	939	936	915	750	570	510
90%	781	642	515	464	427	422	413	386	332	255
80%	868	687	548	491	469	461	441	412	358	284
70%	925	715	587	528	498	479	460	439	387	304
60%	960	734	623	560	519	497	475	457	422	342
50%	993	755	648	609	545	519	495	475	447	367
40%	1073	772	669	636	574	553	532	501	459	393
30%	1128	816	695	661	610	587	561	519	480	431
20%	1233	863	728	688	629	609	582	545	494	456
10%	1315	940	837	735	664	661	647	592	534	484

23 Micron - North  
1995-2001





# JEMALONG WOOL BULLETIN

(week ending 23/05/02)

## 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
Jun-02	1465	1045	-20	935	-9	935	-8	935	-6	930	-9	920	-16	900
Aug-02	1465	1040	-25	915	-29	910	-33	910	-31	910	-29	905	-31	885
Oct-02	1465	1040	-25	905	-39	895	-48	890	-51	890	-49	885	-51	865
Dec-02	1465	1040	-25	905	-39	885	-58	880	-61	875	-64	870	-66	845
Feb-03	1465	1045	-20	905	-39	880	-63	875	-66	865	-74	850	-86	825
Apr-03	1465	1045	-20	905	-39	875	-68	860	-81	850	-89	835	-101	810
Jun-03	1465	1060	-5	900	-44	865	-78	845	-96	830	-109	815	-121	790
Aug-03	1465	1075	10	895	-49	865	-78	830	-111	815	-124	800	-136	770
Oct-03	1465	1075	10	895	-49	860	-83	820	-121	800	-139	785	-151	770
Dec-03	1444	1075	10	884	-60	851	-92	806	-135	785	-154	770	-166	754
Feb-04	1423	1078	13	873	-71	842	-101	792	-149	770	-169	755	-181	738
Apr-04	1403	1081	16	863	-81	833	-110	778	-163	755	-184	740	-196	723

