



JEMALONG WOOL BULLETIN

(week ending 23/07/2003)

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
18.5	1036	-28	1291	80%	1157	1036	1031
19	1006	-31	1057	95%	1049	1006	998
19.5	986	-51	1018	97%	991	994	979
20	998	-51	825	121%	964	1005	989
21	1006	-44	729	138%	960	1012	1001
22	1017	-37	684	149%	960	1025	1013
23	1020	-29	643	159%	959	1029	1018
24	1002	-31	625	160%	954	1012	1002
25	930	-34	597	156%	952	930	920
26	846	-44	568	149%	884	853	846
28	623	-1	521	120%	730	623	620
30	520	19	472	110%	613	520	506
32	510	38	453	113%	552	510	486
MC	484	15	410	118%	463	484	473

Australian Dollar

0.6513

NO SALE THIS WEEK - 03/07/03 REPORT

The first auction sales of the financial year saw 75,000 bales on offer nationally. With few new orders around at the beginning of the week, the increased supply put pressure on the market with prices in Sydney on Tuesday falling 20-45c/kg cln for merino fleece, 19.5 & 20 micron most affected. Crossbreds saw some demand on a limited offering. Wednesday saw the market fall a further 5-10c/kg. The falling prices early in the week generated some interest from the Chinese with orders placed Wednesday afternoon. With one day of auction sales to fill these orders, demand pushed prices 5-10c/kg dearer on Thursday. Crossbred types were dearer again, with coarser >30micron most affected. Renewed competition was also evident for the cardings, with crutchings rising 10c/kg, locks generally unchanged.

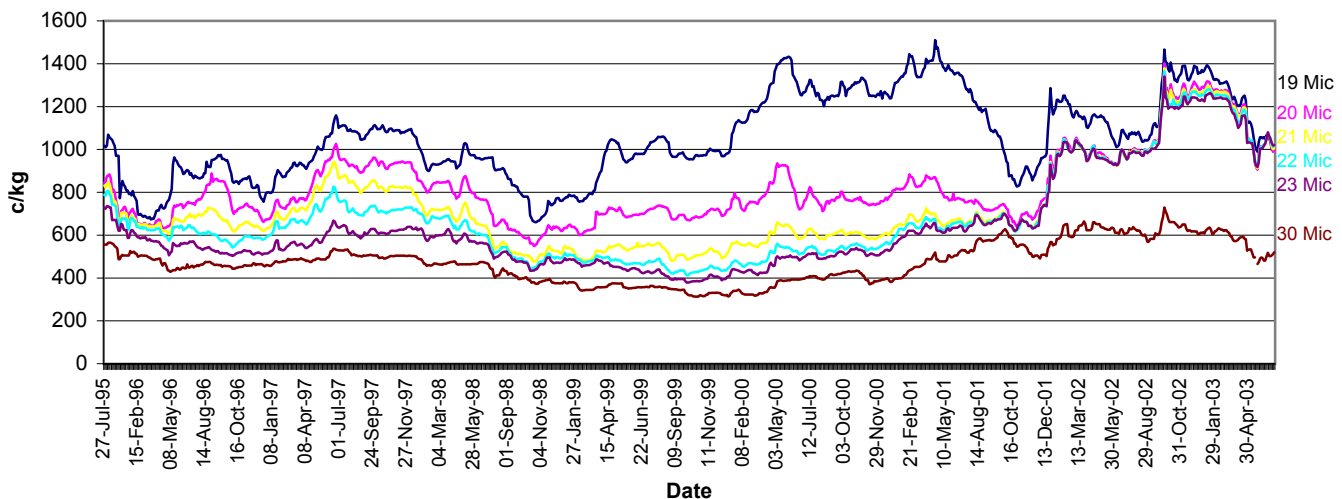
As expected, the effects of a limited number of orders early in the week, together with an increase in the volumes was negative on prices. The falls on Tuesday/Wednesday however were enough to stimulate demand, particularly of note, from China. Although most orders flowing onto the market on Wednesday were for July shipment, it has probably been the most positive sign out of China seen in the past six weeks. Some buyers report that domestic stock in China has inflated in price by 25% in the month of June, forcing Chinese mills to again look at the Australian markets to secure some supply. Reports also suggest that stock has begun to move more quickly through the pipeline. It should be noted however, that when the Chinese were last active in the market the dollar was about 4.5cents less than levels of today. Prices to the Chinese in US dollar terms have not changed greatly from levels back three months ago. With the Reserve Bank failing to reducing interest rates this week, it is likely that the dollar will continue to firm.

Auctions break for a 3 weeks recess, however sales will continue through Wooltrade. With the increased demand seen at the end of the week for PROMPT delivery, there may be good opportunity to have unsold wools listed on Wooltrade.

Futures markets fell early in the week, but with news of new orders on Wednesday afternoon, 21s regained some of these losses.

Hedging opportunities exist for September at about a 15-30c/kg discount to current levels.

Comments: Evonne Luton (Wooltrade)





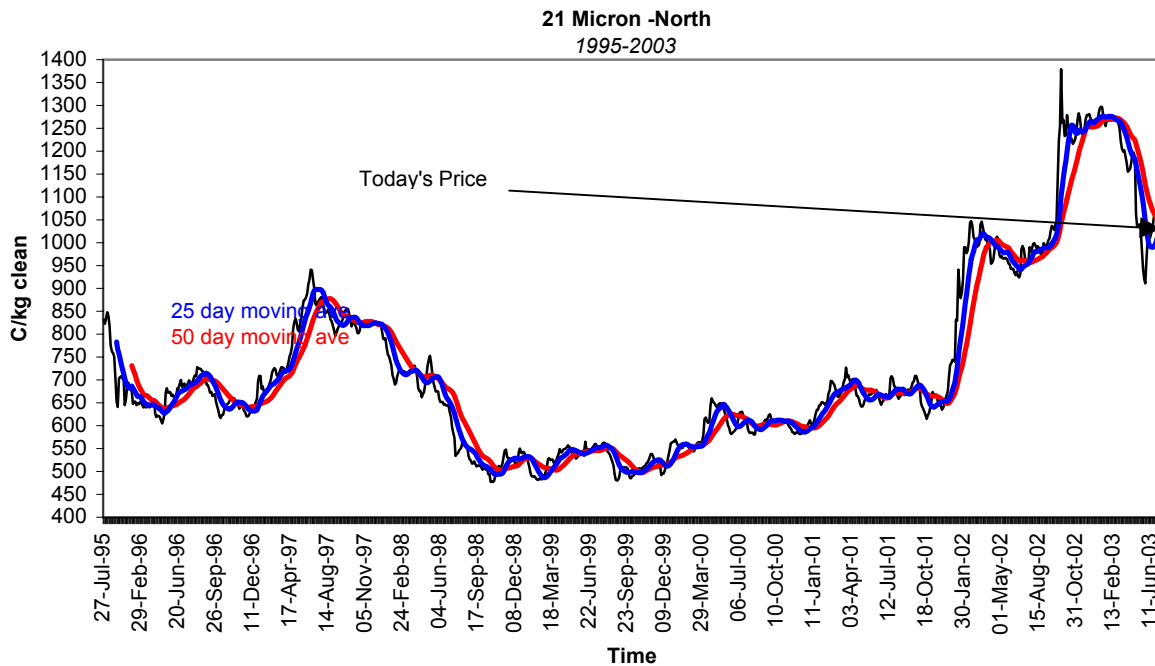
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Table 3: Northern Market Deciles

Micron Price Guide (1995-2002)

		19	20	21	22	23	24	25	26	28	MC
10% Current		1006	998	1006	1017	1020	1002	930	623	510	484
20% 90%		793	650	523	469	434	427	416	394	339	261
30% 80%		888	697	555	498	477	467	449	420	367	292
40% 70%		945	723	610	544	510	487	467	448	399	333
50% 60%		976	746	644	595	532	511	484	468	435	359
60% 50%		1044	768	666	634	570	547	526	497	456	393
70% 40%		1090	813	693	660	608	584	560	518	475	434
80% 30%		1173	870	736	693	633	611	587	547	493	463
90% 20%		1261	942	874	767	692	688	679	600	528	495
10%		1339	1021	1011	1014	1004	995	966	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
Aug-03	1100	1030	24	1010	12	1005	-1	1005	-12	1005	-15	995	-7	945	15	630	7
Oct-03	1100	1030	24	1005	7	995	-11	990	-27	985	-35	975	-27	925	-5	610	-13
Dec-03	1100	1030	24	1000	2	985	-21	980	-37	975	-45	965	-37	910	-20	600	-23
Feb-04	1120	1040	34	1000	2	980	-26	975	-42	970	-50	960	-42	905	-25	595	-28
Apr-04	1140	1040	34	1000	2	980	-26	975	-42	970	-50	960	-42	905	-25	595	-28
Jun-04	1160	1040	34	995	-3	975	-31	965	-52	955	-65	940	-62	885	-45	580	-43
Aug-04	1180	1040	34	985	-13	965	-41	945	-72	935	-85	920	-82	865	-65	570	-53
Oct-04	1210	1025	19	955	-43	935	-71	915	-102	900	-120	885	-117	835	-95	570	-53
Dec-04	1230	1025	19	950	-48	925	-81	905	-112	890	-130	875	-127	820	-110	565	-58

