



JEMALONG WOOL BULLETIN

(week ending 25/07/02)

Table 1: Northern Market Prices

Micron	Current MPG	Weekly	10-yr	Current	This time last	Year high	Year low
Price	Price	Change	Average	Price to	year		
Guides				Average			
Indicator	909	-8	708	128%	850	916	907
18.5	1157	na	na	na	na	1176	1157
19	1049	-28	1034	101%	1282	1069	1049
19.5	991	na	na	na	na	991	988
20	964	-12	777	124%	759	968	956
21	960	-7	669	143%	669	962	953
22	960	-15	619	155%	660	967	953
23	959	-22	574	167%	645	967	953
24	954	-22	558	171%	640	965	952
25	952	0	536	177%	617	952	950
26	884	6	515	172%	549	884	878
28	730	6	492	148%	543	730	726
30	613	9	454	135%	528	613	607
32	552	23	439	126%	513	552	545
MC	463	2	377	123%	447	463	463

The auction market this week opened on a cheaper note owing to larger volumes of better type wools on offer. Tuesday and Wednesday saw 19 micron and finer loose up to 20c/kg clean, medium types up to 10c/kg clean cheaper and the broader types 22-25micron down by 25c/kg clean. Thursday saw some demand re-enter the market with mediums and broads rising by about 7c/kg clean. Fine wools continued to slump though, losing a further 10c/kg clean.

Better type, low VM skirtings remained fully firm for the week, while higher VM types were up to 2% cheaper.

Cardings closed slightly cheaper for the week, washing locks and better style carbo locks slightly dearer.

Many articles in the popular press media published this week have given mixed opinion as to the direction of the market. It is no secret that supply is a key factor in the equation, with the annual production for this year forecast to be about 500m kilos. A simple view of demand/supply would predict this under supply would auger well for prices. However, from a processing point of view, prices being paid for raw wool currently have early-stage processors running at a loss unable, to on-sell to their customers. Lack of supply at a sustainable and competitive price may promote fibre substitution amongst mills.

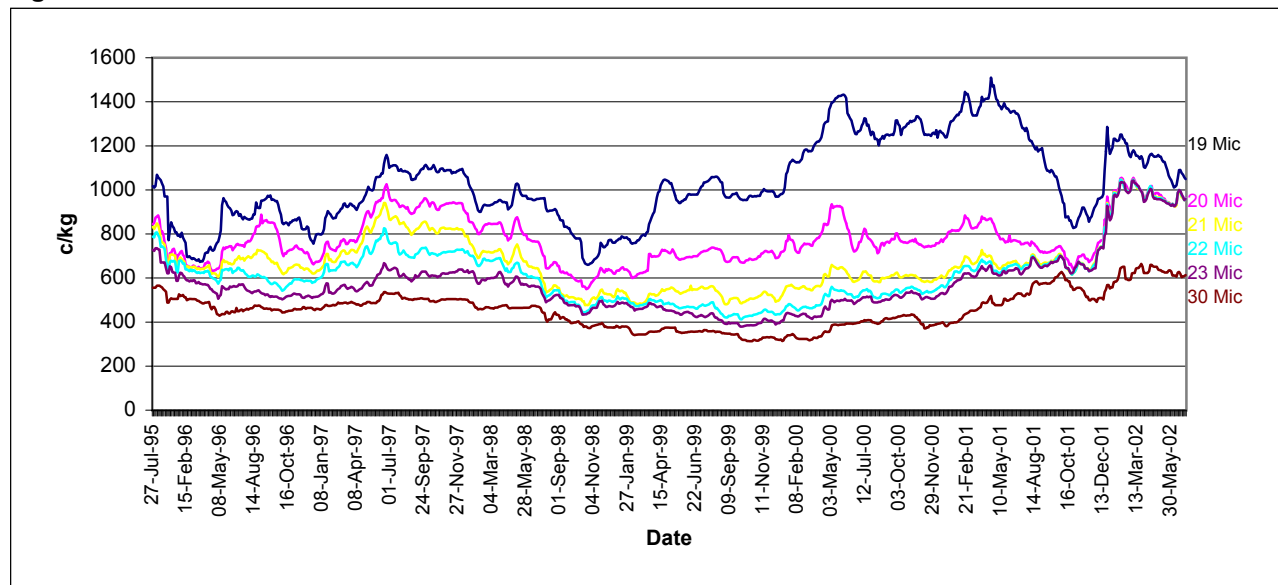
Production figures were forecast for 2002/03 - New South Wales down 5% with cut per head to average 5kg.

Queensland - down 14% with cut per head down 0.5kg to 4.5kg.

Despite a decline in the market early in the week, Macquarie Wool Futures remained generally unchanged for the week. The gap between in prices for the current and forward months in Spring for medium wool is only about 25c/kg below - the smallest gap seen yet.

Comments: Evonne Luton (Wooltrade)

Figure 1: Northern MPG Movement





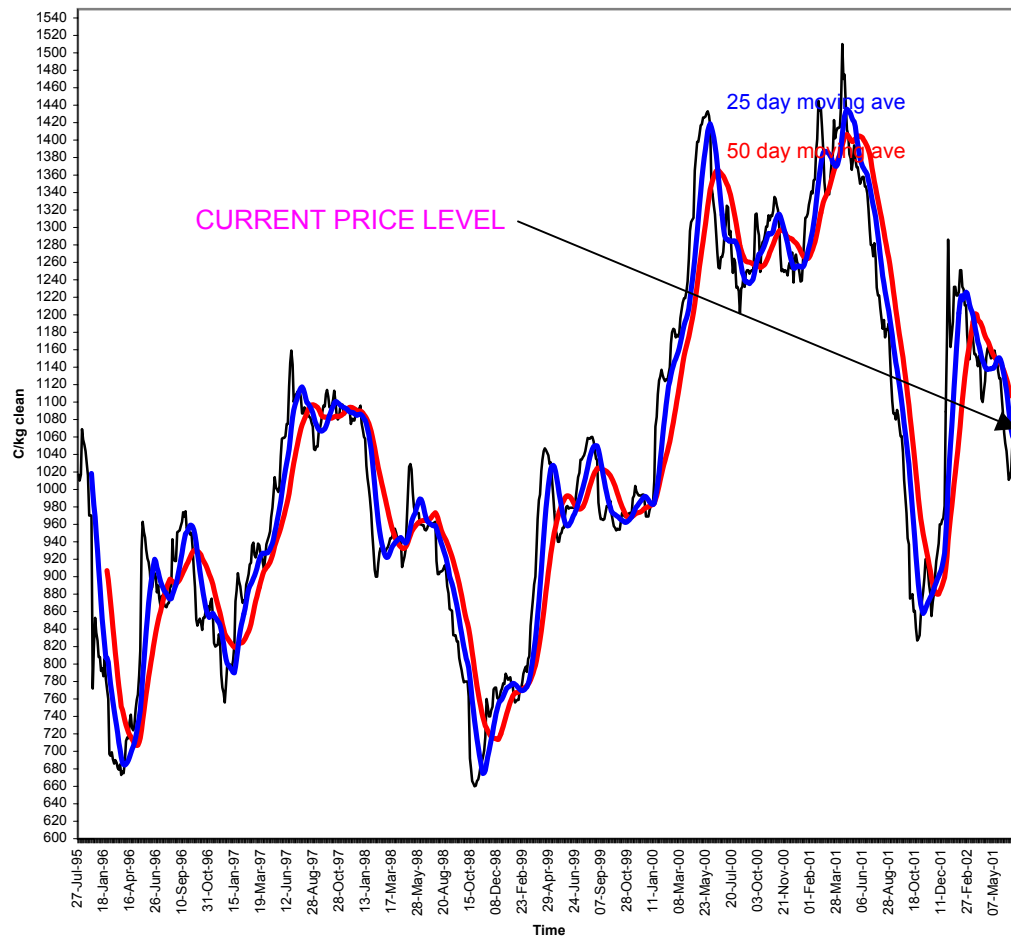
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(week ending 19/07/02)

Table 3: Northern Market Deciles

Micron Price Guide (1995-2002)										
	19	20	21	22	23	24	25	28	32	MC
Current	1049	964	960	960	959	954	952	730	552	463
90%	781	642	515	464	427	422	413	386	332	255
80%	868	688	549	491	469	461	441	413	360	285
70%	928	716	593	529	499	480	461	439	388	305
60%	963	735	628	566	520	499	475	458	423	344
50%	996	758	650	615	550	520	497	477	449	369
40%	1070	772	670	639	576	555	534	503	460	400
30%	1126	820	698	663	612	589	563	522	480	433
20%	1232	871	739	695	634	612	587	547	497	461
10%	1314	940	858	755	675	679	657	602	543	485

19 Micron - North
1995-2002





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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
Aug-02	1340	1030	-19	965	1	960	0	960	0	960	1	955	1	950
Oct-02	1340	1030	-19	960	-4	945	-15	945	-15	945	-14	940	-14	935
Dec-02	1340	1030	-19	950	-14	935	-25	935	-25	930	-29	925	-29	920
Feb-03	1350	1030	-19	935	-29	915	-45	910	-50	905	-54	895	-59	885
Apr-03	1380	1035	-14	930	-34	905	-55	900	-60	895	-64	885	-69	865
Jun-03	1400	1040	-9	930	-34	905	-55	895	-65	885	-74	875	-79	850
Aug-03	1420	1050	1	920	-44	895	-65	875	-85	860	-99	845	-109	820
Oct-03	1430	1050	1	910	-54	885	-75	855	-105	835	-124	820	-134	790
Dec-03	1430	1050	1	910	-54	885	-75	855	-105	835	-124	820	-134	785
Feb-04	1415	1050	1	897	-67	873	-87	839	-121	818	-141	804	-150	771
Apr-04	1400	1050	1	883	-81	862	-98	823	-137	802	-157	788	-166	757
Jun-04	1385	1050	1	870	-94	850	-110	808	-152	785	-174	773	-181	743

