



**WEEKLY WOOL MARKET REPORT – 19<sup>th</sup> December 2008**

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**NORTHERN REGION INDICATOR 792 -21**

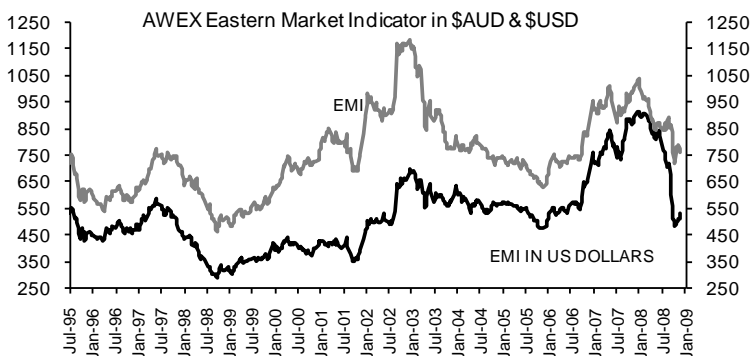
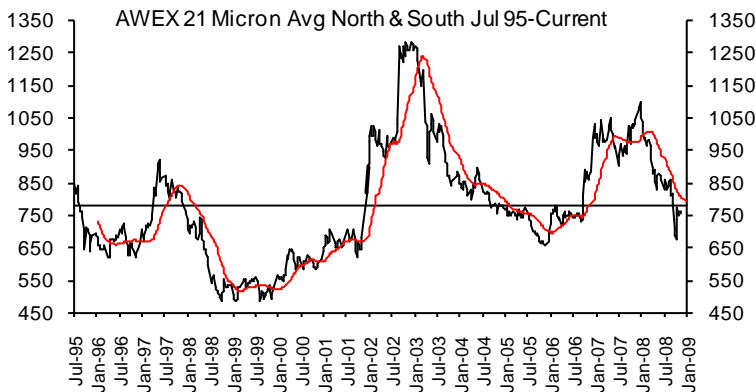
**EASTERN MARKET INDICATOR 764 -16**

**AWEX - NORTHERN REGION QUOTES**

MICRON	CLEAN PRICE	CHANGE FOR WEEK	SAME WEEK LAST YEAR	CHANGE SINCE LAST YEAR
16.5	-	-	1489	-
17	1242	-51	1417	-175
17.5	1189	-48	1399	-210
18	1152	-51	1379	-227
18.5	1059	-49	1343	-284
19	965	-45	1267	-302
19.5	865	-45	1192	-327
20	783	-16	1133	-350
21	754	-10	1035	-281
22	738	+1	964	-226
23	724	-4	934	-210
24	696	0	875	-179
25	563	-18	724	-161
26	531	-27	627	-96
28	431	-17	464	-33
30	397	-31	364	+33
32	342	-21	317	+25
MC	444	-23	581	-137

**COMMENTARY**

The last sale of the calendar year reminded us of the volatility of prices that we have become accustomed to. This has been even more pronounced over the past twelve months, with some of largest one day falls and rises seen over the past 10 years. The Eastern Market Indicator has varied by 30% throughout the year, from a high of 1045 in January to a low of 723 in November. Even with the magnitude of these falls most micron categories and market indicators have now only reverted back to long term averages. 35,000 bales were sold for the week with the passed in rate climbing to 21.4%. The Aussie dollar staged a major rally against a weakening US dollar on the back of continuing poor economic news. In US dollars this actually resulted in a 20 cent increase in the general price of wool. Major buyers included Techwool, Fox and Lillie & ABB. Challenges in the year ahead seem to be coming from many angles but none more so than what is appearing more likely every day and that is a global economic recession. Given the nature of the product we are producing and the consumer dollar that we chase further down the chain, it is a slowdown in discretionary spending that we should fear. There are also positives to look forward to next year with the latest testing figures from AWTA indicating a decline in wool production far greater than what had been predicted by the Wool Production Forecasting Committee at the start of the season (recently revised downward). Sales resume week commencing the 12<sup>th</sup> of January with early estimates of the size of the offering not yet confirmed. The forward market and the volatility of the Aussie dollar may give us the best indication of the opening direction. **Thank you for your support and ongoing business throughout the year it is truly valued and appreciated. Merry Christmas and a safe and prosperous New Year to you and your families.**



**This Week's National Offering Statistics**

	NORTH	SOUTH	WEST
<b>Bales Offered</b>	12,055	20,422	12,050
<b>Bales Sold</b>	9,877	16,364	8,760
<b>Passed In %</b>	18.1%	19.9%	27.3%

