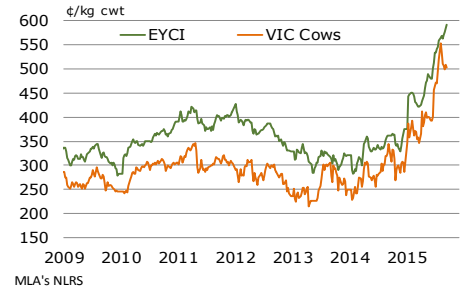


Beef

After a solid recovery the EYCI faltered just a stone's throw away from the "600¢ milestone" to finish the week ending on Monday up only 2¢ to 593.25¢/kg cwt. In southern markets (Dubbo and south) EYCI -type cattle has been averaging 595-605¢/kg cwt for a couple of month al-

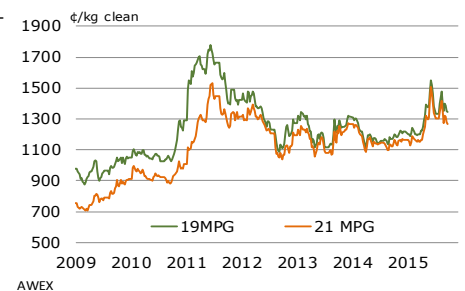
ready while northern markets are finally catching up to see discounts shrinking rapidly in recent weeks. On the finished cattle front, prices have also levelled off with heavy steers around the 600-615¢/kg cwt mark in NSW/VIC/SA while cows have seen some upside last week.



Wool

It was a "flat" week in the wool auctions, with the market pulling back on day one (Wednesday) before recovering slightly on the final day. The best that can be said about demand is that it is "subdued" right now. Looking at individual MPG categories, the moves for the week were

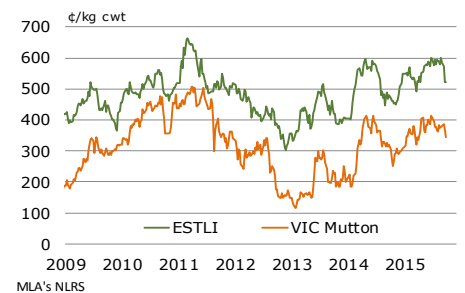
minor (down 5-15¢) and the EMI easing 6¢ week-on-week to 1228¢/kg clean. However when viewed in US\$ terms it looked much more severe, with the EMI plunging US28¢ to US860¢/kg clean. Merino cardings remain very firm with prices steady at around 1100¢/kg clean.



Lamb

After bucking their seasonal trend lamb markets succumbed to increasing supplies to see prices easing. While the spring price downside was inevitable, the intensity of the price falls took many by surprise. Yet, looking beyond the recent events, the short and long-term outlook

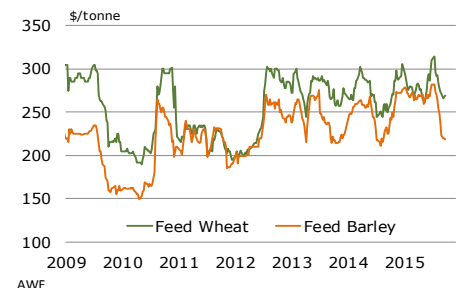
for lamb markets remain positive. This Monday, lamb markets have already bounced from last week's lows to see the ESTLI up 15¢ week-on-week to 533¢/kg cwt. Lamb markets are likely to find a bottom this spring around 475-500¢ before a recovery over the New Year.



Grain

Worries about the Russian crop which fuelled a rally, taking the Dec-15 CBOT futures 22¢ higher for the week, to peak at 506¢/bu, before the market eased last night to finish at 497¢/bu. The A\$ lost almost 3US¢ for the week to sit at

69.5US¢, assisting Aussie wheat prices to rally. Dec CBOT swap values subsequently hit a two month high, gaining \$20 for the week to \$269/t this Monday. ASX NSW wheat Jan-16 also rallied \$20 from last Monday and is now trading at \$292/t.



Indicator	This Week	Last Week	Last Year
▲ EYCI	593.25 c/kg cwt	591.25	362.5
▼ VIC Feeders	320.6 c/kg lwt	333	184
▲ VIC Cows	532 c/kg cwt	504	308
▲ ESTLI	533 c/kg cwt	518	480
▼ VIC Restocker Lambs	564 c/kg cwt	580	498
▼ VIC Mutton	343 c/kg cwt	368	319
▼ 19MPG (South)	1348 c/kg clean	1354	1168
▼ 21 MPG (South)	1266 c/kg clean	1278	1122
▲ Feed Wheat	269.5 \$/t	268.5	254
▲ Feed Barley	219 \$/t	220	225

Tip of the week

Store lamb and merinos look like a good buy in this market. Although short-term downside is in the cards, markets are expected to post a solid recovery by December/January.