

Selectors for risk model.

Run cursor over graph to pick up icon values.

Risk model sell target.

Active Web Tool

Selectors

Indicator

21

Delivery

Oct-07

Action

Sell

Preferred Range

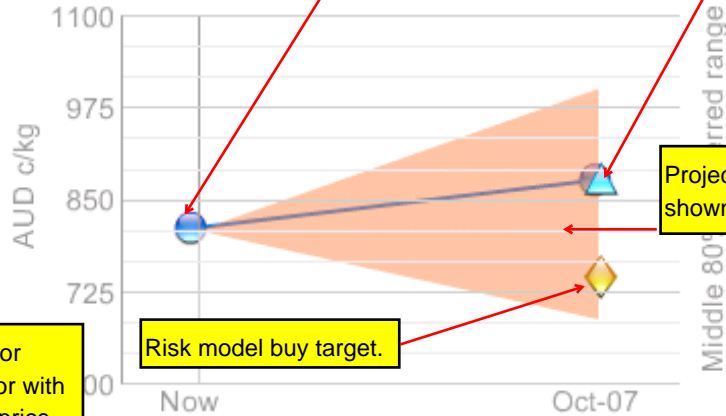
Middle 80%

Updated

27/10/2006

Current spot indicator and forward indicator with respective nominal price rankings since 1991.

ICS Wool Price Risk Tool



Projected price range shown by shaded area.

Risk model buy target.

Sell target (at this level of higher) or buy target (at this level of lower) calculated by back testing risk model data. The targets work better on 12-24 month time frames than on shorter delivery periods.



Delivery	Oct-07
Current Spot 21 MPG	808
Historic Price Rank 1991+	71%
Current Forward Bid	873
Historic Price Rank 1991+	82%

Preferred Range	Middle 80%
Projected high: +24%	1002
Projected low: -15%	687
Sell Target (or higher)	877
ICS Risk Model Signal	Neutral

Risk model signal - triggered if forward price exceeds model target.

Spot Price	-150	-50	808	+50	+150
Sell Target (or higher)	818	802	877	922	833

Projected high & low as %.

The ICS wool price risk tool is a combination of nominated delivery period, indicator, confidence level and action. These are chosen by us on the left hand side of the page. The model output is shown in the tables which are summarised in the graph. The model projects a range of prices and provides sell/buy targets developed from back testing of data.

Date that risk model was last updated.

Preferred range - the default setting is the middle 80% range which means the model assumes there is a 10% probability of price being higher and a 10% probability of prices being lower than the projected range of prices.

Range of sell/buy targets at different auction (spot) levels. This allows a "sensitivity" check on the targets, especially in a market that is changing prices quickly.