

National Weekly Wool Market Report

Season: 2019/2020

Sale Date: 06 February 2020



CAPE WOOLS SA

Tel: 27-41-4844301

Fax: 27-41-4846792

E-mail: stats@capewools.co.za

Website: www.capewools.co.za

| SA Merino Indicator | | | | Buyers | | | |
|----------------------|--------------|-----------|--------|---------------------|---------------------------|----------------|-----------------------------------|
| Indicator Unit | Current Sale | Last Sale | Change | Company | Bales Purchased This Week | % of Purchases | Total Bales Purchased This Season |
| # SA c/kg | 17741 | 17463 | 1.6% | | | | |
| Ave. to date (19/20) | 17111 | 17072 | 0.2% | | | | |
| Ave. to date (18/19) | 22235 | | | | | | |
| US c/kg | 1200 | 1191 | 0.8% | Standard Wool SA | 1902 | 28.9% | 46853 |
| Euro c/kg | 1091 | 1081 | 1.0% | G Modiano SA | 1765 | 26.8% | 50672 |
| AWEX EMI | 1577 | 1548 | 1.9% | Lempriere SA | 1598 | 24.3% | 31652 |
| | | | | Stucken & Co | 315 | 4.8% | 11661 |
| | | | | Tianyu SA | 294 | 4.5% | 19536 |
| | | | | Segard Masurel SA | 282 | 4.3% | 6566 |
| | | | | New England Wool SA | 25 | 0.4% | 1488 |

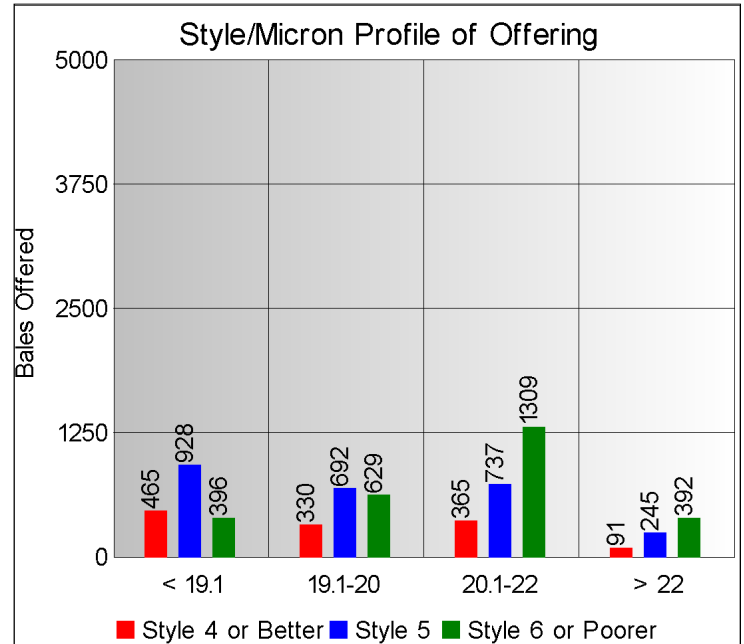
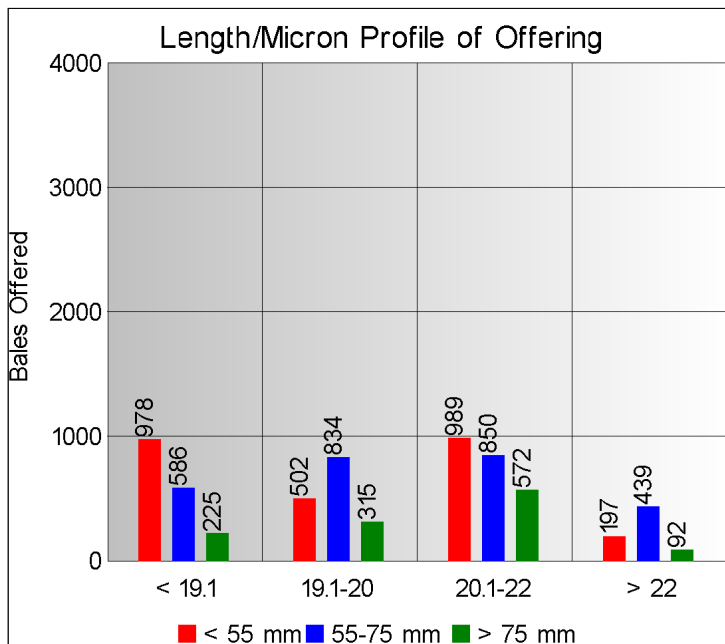
| Exchange Rates | | | |
|----------------|-----------|---------------|----------|
| Currency Unit | This Week | Previous Week | % Change |
| R/USD | 14.7822 | 14.6681 | -0.8% |
| R/Euro | 16.2562 | 16.1570 | -0.6% |
| R/AUD | 9.9753 | 9.8631 | -1.1% |
| USD/AUD | 0.6751 | 0.6724 | -0.4% |

Analysis of Offerings by Broker This Week (Bales)

| Broker | Merino Fleeces | Merino Bellies | Merino Lambs | Merino Backs | Merino Locks | * Other | Total | % Sold |
|--------------|----------------|----------------|--------------|--------------|--------------|-------------|-------------|--------------|
| BKB | 2700 | 348 | 318 | 0 | 156 | 572 | 4094 | 95.8% |
| CMW | 733 | 88 | 175 | 50 | 54 | 286 | 1386 | 95.4% |
| HOF | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| JLW | 74 | 29 | 6 | 0 | 4 | 95 | 208 | 76.9% |
| MAS | 88 | 64 | 19 | 0 | 16 | 215 | 402 | 72.4% |
| QWB | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| VLW | 272 | 71 | 25 | 0 | 74 | 47 | 489 | 100.0% |
| Total | 3867 | 600 | 543 | 50 | 304 | 1215 | 6579 | 94.0% |

SA Merino Indicator includes Merino types comparable to international indicators.
Cape Wools All Wool Indicator, includes all white wool sold at auction.

* crossbred, coarse and coloured, inferior

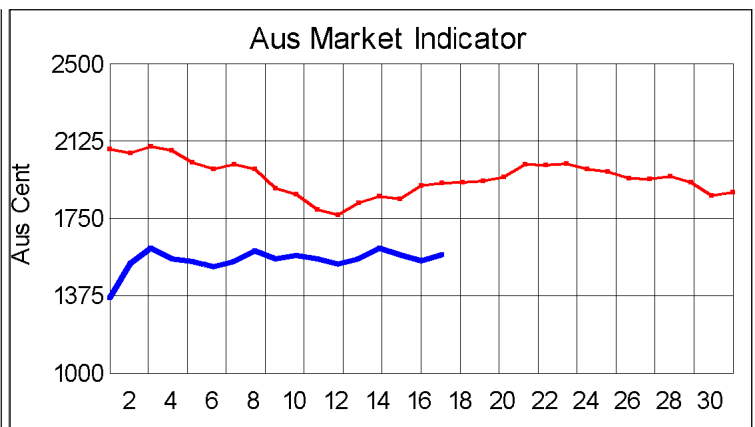
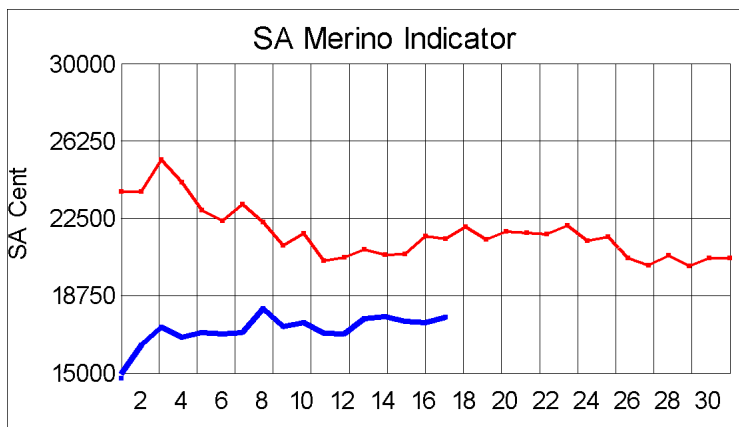


* Seasonal Receipts Declared

2019/20 Declared Receipts : 02 February 2020

33,037,202.8

Percentage Change (Year-on-Year) : 1.14



Current Season — Previous Season —

Average Fleece Wool Prices (c/kg. clean)
Spinners and Good Topmaking Styles (AWEX Types MF4 and MF5)

| Micron | 100+mm | 90mm | 80mm | 70mm | 60mm | 50mm | 40mm | 30mm | 20mm | 10mm |
|--------|--------|------|-------|-------|-------|-------|-------|------|------|------|
| 18.0 | | | 20370 | 20275 | 19025 | 18751 | 17762 | | | |
| 18.5 | | | | 18871 | 18420 | 18292 | 17619 | | | |
| 19.0 | | | 18759 | 18545 | 18451 | 17616 | 17045 | | | |
| 19.5 | | | 18487 | 18056 | 18063 | 17102 | 16017 | | | |
| 20.0 | | | 18319 | 18256 | 17865 | 16664 | 15416 | | | |
| 20.5 | | | 18345 | 18037 | 18069 | 16555 | | | | |
| 21.0 | | | 18113 | 16750 | 17660 | 16185 | | | | |
| 21.5 | | | 17973 | 17477 | 17798 | 16616 | | | | |
| 22.0 | | | | 18485 | 17880 | | | | | |
| 22.5 | | | | 17713 | | | | | | |
| 23.0 | | | | 17637 | | | | | | |
| 23.5 | | | | | | | | | | |
| 24.0 | | | | 16536 | | | | | | |

* Based on a minimum of 3 lots sold per category

Average Topmaking Styles (AWEX MF6)

| Micron | 100+mm | 90mm | 80mm | 70mm | 60mm | 50mm | 40mm | 30mm | 20mm | 10mm |
|--------|--------|------|-------|-------|-------|------|-------|------|------|------|
| 18.0 | | | | | | | | | | |
| 18.5 | | | | | | | | | | |
| 19.0 | | | | 17256 | | | | | | |
| 19.5 | | | | 17723 | | | | | | |
| 20.0 | | | | | | | | | | |
| 20.5 | | | | 15953 | | | 12674 | | | |
| 21.0 | | | 16980 | | 14862 | | | | | |
| 21.5 | | | | | | | | | | |
| 22.0 | | | | | | | | | | |
| 22.5 | | | | | | | | | | |
| 23.0 | | | | | | | | | | |
| 23.5 | | | | | | | | | | |
| 24.0 | | | | | | | | | | |

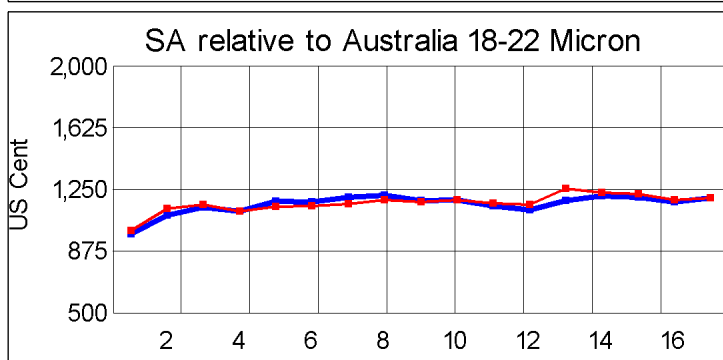
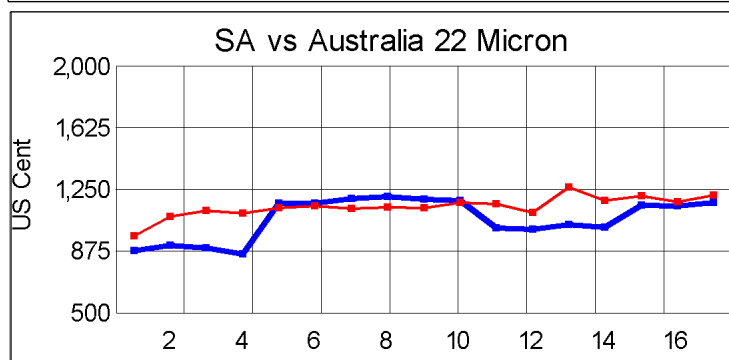
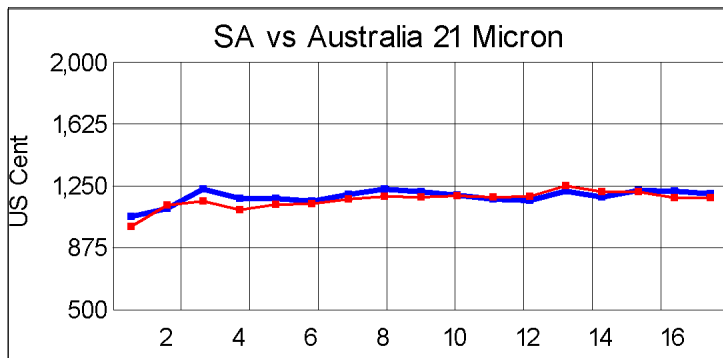
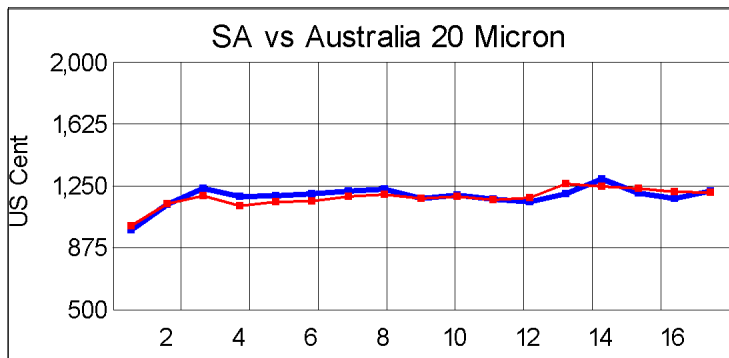
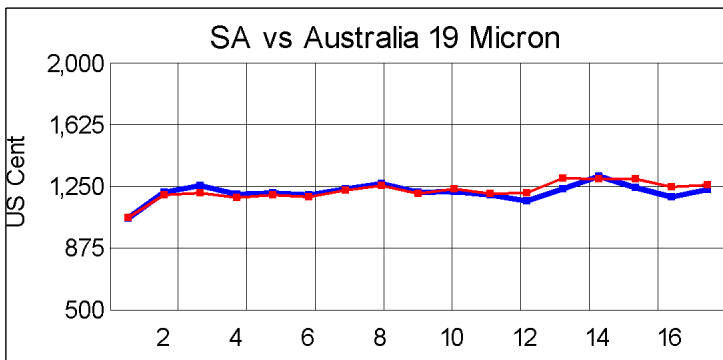
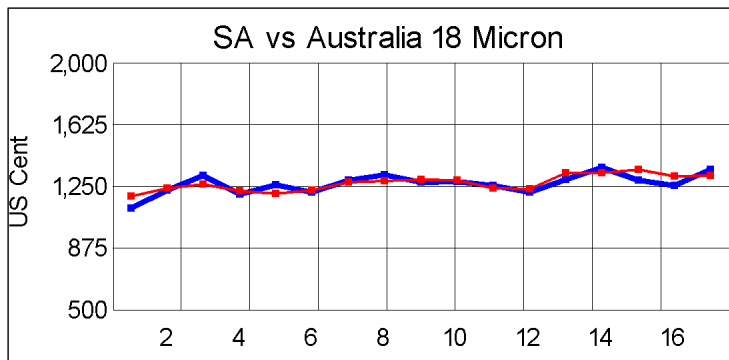
* Based on a minimum of 3 lots sold per category

Other Selected Types/Qualities

Long

Medium

| | 19μ | 20μ | 21μ | 19μ | 20μ | 21μ |
|-------------------------|-------|-------|-------|-------|-------|-------|
| Good Quality | | | | | | |
| Lambswool | 18436 | 17256 | 15184 | 16418 | 16854 | 15108 |
| Bellies | 17005 | | 16635 | 16471 | 14272 | 14459 |
| Locks | | | | 13455 | 12975 | 11647 |
| Average Quality | | | | | | |
| Lambswool | 18108 | 16993 | 15600 | 16336 | | |
| Bellies | 17524 | 17037 | | 14698 | 12519 | 12345 |
| Locks | | | | 13483 | 12215 | 10052 |
| Inferior Quality | | | | | | |
| Fleecewool | 18112 | 16583 | 14811 | 16343 | 12483 | |
| Lambswool | | | | | | |
| Bellies | 15164 | 15233 | | 13916 | 14619 | 12664 |
| Locks | | | | 11972 | 6579 | 8479 |



— SA in USc
— Aus in USc

— SA in USc
— Aus in USc

Market Commentary

Cape Wools Weekly Market Report - 06 February 2020

Port Elizabeth - The 18th sale of the 2019/20 wool season took place today with 6 579 bales on offer of which 94,0% was sold. The wool market closed 1,6% (278 points) up at a value of R177,41 c/kg (Clean), with the Cape Wools All Wool Indicator closing 1,6% higher. The Australian EMI moved 1,9% up this week.

This week saw the Rand at 0,8% weaker against the US Dollar and 0,6% weaker against the Euro, compared with the average rate at the previous sale. The market improved by 0,8% in US Dollar terms. The South African wool market had a strong performance on this week's sale, with a smaller offering of 6579 bales, which consisted of some good quality fine micron wools. This edged the market higher to close 1.6% up on R177.41 p/kg with a good sales clearance of 94%.

Although some buying houses are still affected by the Chinese New Year shut down and uncertain trade conditions, improved market sentiment allowed good competition on the better quality wools, which performed much better than the market average on the day. The Australian market also closed 1.9% up this week, which paved the way for a positive market, supported by a weaker SA currency. The major buyers on today's sale were: Standard Wool SA (1 902), Modiano SA (1 765), Lempriere SA (1 598) and Stucken & Co (315).

The average clean prices for the selection within the different micron categories for good top-making (MF5), long fleeces were as follows: 18,0 microns increased 1,0% to close at R194,86/kg; 18,5 microns moved 3,6% up to close at R190,30/kg; 19 microns gained 1,9% to close at R186,56/kg; 19,5 microns strengthened by 2,0% to close at R185,25/kg; 20 microns was 0,5% stronger to close at R179,32/kg; 20,5 microns won 1,7% to close at R178,39/kg; 21,0 microns recovered 0,6% to close at R174,38/kg; 21,5 microns improved by 1,1% to close at R172,52/kg; 22 microns rose 4,2% to close at 179,94/kg and 22,5 microns climbed by 2,5% to close at R168,83/kg.

The next sale is scheduled for 13 February 2020 where approximately ±4 245 bales will be on sale.

*The detailed Seasonal Receipts Declared Report can be viewed at www.capewools.co.za