

NATIONAL WOOL MARKET REPORT

Season : **2008/09**
 Sale Date: **1-Oct-2008**
 Catalogue: **ME06**



CAPE WOOLS SA

Tel: 27-41-4844301
 Fax: 27-41-4846792
 E-mail: stats@capewools.co.za
 Website: www.capewools.co.za

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Market Commentary	
WEAK RAND SUPPORTS MARKET	
<p>PORT ELIZABETH: The market put up a solid performance at this week's sale amid the uncertainty in global markets and Cape Wools' Merino indicator gained 1,5% on last week to close at R54,30/kg (clean).</p> <p>This increase can be ascribed partly to the exchange rate, which saw the rand weakening by 3,2% against the US dollar compared with the average rate at last week's sale, trading at R8,23 today. However, at R11,64, it was 1,1% stronger against the euro.</p> <p>Supply concerns may also have supported the market. Receipts into brokers' stores are down 7,2% year-on-year. Possible causes for the lower receipts are the longer than normal rainy season in the Western Cape, which delayed shearing by three to four weeks, and lower fleece weights in areas affected by the drought.</p> <p>The average prices of good quality long wools were up by between 1% and 2%. Long fine wools were up almost 3%. The offering comprised 6 236 bales of which 94% was sold. Major buyers were Standard Wool SA (1 277 bales); Modiano (1 164 bales); Segard Masurel (1 086 bales), and Stucken (948 bales).</p> <p>Average price movements for AWEX-type fleeces MF4 and MF5 of 70 and 80 mm were as follows: 19 microns strengthened 2,9% to R71,66/kg, 20 microns were up 1,5% at R59,09/kg; 21 microns gained 1,2% at R54,79/kg; 22 microns rose 2,5% to R53,67/kg, and 23 microns were 1,8% dearer at R52,68/kg. There were no quotes for 24 and 25 microns. Approximately 8 000 bales will come under the hammer at next week's sale.</p>	

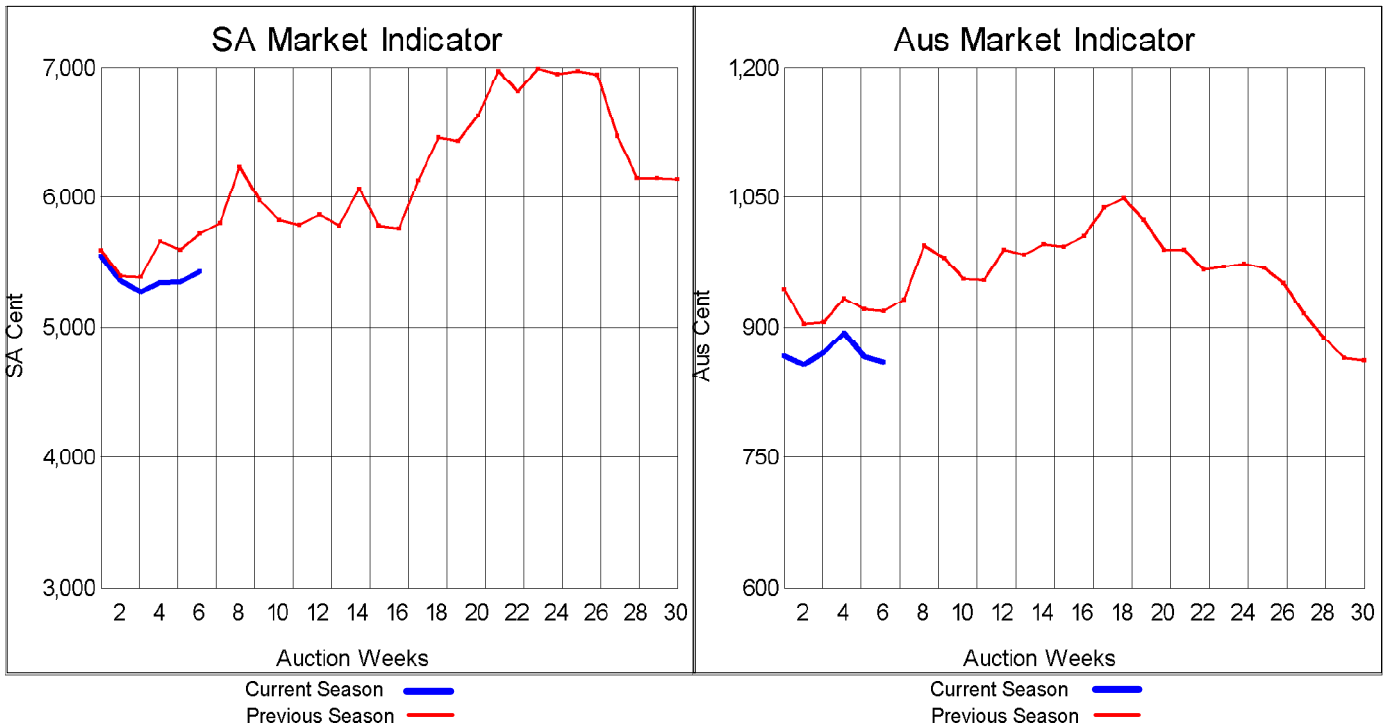
Auction Analysis										
Composition of Fleece Offerings				Analysis of Offerings						
Description	% This Week	% Prev Sale	Description	This Week			Previous Sale			
				%	Bales	% Sold	Bales	% Sold		
Long Wool	67.4	61.7	Merino Fleeces	54.9	3 425	97.2	3 553	96.4		
Medium Wool	23.9	30.1	Merino Bellies	7.1	442	91.9	564	94.0		
Short Wool and Locks	8.7	8.2	Merino Lambs	8.5	532	90.8	667	96.7		
Fine Wool (<20µ)	26.0	24.2	Merino Locks	5.7	358	96.6	461	97.4		
Medium Wool (20 - 22µ)	61.0	61.7	Other	23.7	1 479	89.2	2 018	89.3		
Strong Wool (22 - 24µ)	10.9	12.1	Total	100.0	6 236	94.3	7 263	94.3		
Overstrong (24 - 27µ)	2.0	2.1								
Other Indicators				Offerings per Port						
Indicators	This Week	Prev Sale	% Change	Ports	This Week (Bales)			Prev Sale (Bales)		
					Offered	Sold	% Sold	Offered	Sold	
SA Indicator	5 430	5 350	1.5							
AWEX EMI	860	866	-0.7	Durban	562	488	86.8	637	575	
R/US Dollar	8.2370	7.9823	-3.2	Port Elizabeth	5 674	5 394	95.1	6 626	6 276	
R/A Dollar	6.5842	6.7178	2.0	Total	6 236	5 882	94.3	7 263	6 851	
R/Euro	11.6421	11.7694	1.1							
Receipts 26 September 2008										
Main Buyers				Season to Date (Kg)		Last Season (Kg)		% Change		
Buyers	This Week	% of Sale	To Date	9 953 670		10 722 739		-7.2		
Standard Wool SA	1 277	21.7	8 988	Next Auction						
G Modiano	1 164	19.8	13 320	Name	Date	Offerings (Bales)				
Segard Masurel	1 086	18.5	7 609	S A Wool Exchange		08/10/2008	± 7 000			
Stucken	948	16.1	7 196	Van Lill Wool Buyers		07/10/2008	± 335			
Lempriere (Aus) Ltd	837	14.2	3 299	Saunders et al.		07/10/2008	± 630			
Chargeurs Wool	529	9.0	3 967	Lanata		07/10/2008	± 264			
New England Wool	41	0.7	383	SA Indicator		-	ME06		5 430	
ADF	0	0.0	756	Ave SA Indicator - Season to Date						5 385
				Ave SA Indicator - Previous Season						6 151

Cape Wools SA

Fleece Wool Prices (Spinners and Good Topmaking Styles, AWEX Types MF4 and MF5)

Micron	Average Price (c/kg. clean) *										Percentage change from previous catalogue									
	100 mm	90 mm	80 mm	70 mm	60 mm	50 mm	40 mm	30 mm	20 mm	10 mm	100 mm	90 mm	80 mm	70 mm	60 mm	50 mm	40 mm	30 mm	20 mm	10 mm
18.0	8668																			
18.5	7724		7756		6854						-0.2	2.8			2.7					
19.0	7273		7059		7049		6544				2.1	3.6	6.7	1.9						
19.5	6364	6582	6397	6009	6149						3.2	2.5	-1.9	5.0						
20.0	5838	5943	5875	5854	5600	5049						-0.3	0.3	2.6	4.2	4.3	1.7			
20.5	5646	5614	5579	5619	5138	4746						3.2	0.9	1.4	4.1	0.9				
21.0	5498	5502	5455	5404	5215						-0.3	3.8	1.0	3.7	4.8					
21.5	5443	5391	5407	5301	4584								0.5	1.2	4.0	-4.8				
22.0	5371	5404	5329	5265	4901						0.9	2.4	2.6	3.0	1.1					
22.5	5318	5391										2.0								
23.0	5268		4923										1.5	6.3						
23.5	5198		5097																	
24.0																				

* Based on a minimum of 3 lots sold per category



Cape Wools SA

Fleece Wool Prices (Average Topmaking Style, AWEX type MF6)

Micron	Average Price (c/kg. clean)*										Percentage change from previous catalogue									
	100 mm	90 mm	80 mm	70 mm	60 mm	50 mm	40 mm	30 mm	20 mm	10 mm	100 mm	90 mm	80 mm	70 mm	60 mm	50 mm	40 mm	30 mm	20 mm	10 mm
18.0																				
18.5																				
19.0				6458																
19.5				6130																
20.0				5755																
20.5						4980									-0.9					
21.0				5422		4757							1.5							
21.5				5385									2.9							
22.0			5194										-0.6							
22.5																				
23.0																				
23.5																				
24.0																				

* Based on a minimum of 3 lots sold per category.

Other Selected Types/Qualities

Price per Kilogram

	Long			Medium		
	19μ	20μ	21μ	19μ	20μ	21μ
Good Quality						
Lambswool	7155	6056	5571	5897	5480	
Bellies	6050	5649	4957	5754	4852	4100
Locks				2851	2784	2735
Average Quality						
Lambswool	6494	5776	5048	5572	5346	3781
Bellies	6442	5135	4757	5716	5188	3600
Locks				2390	2304	1820
Inferior Quality						
Fleecewool	6428	5408	4788			
Lambswool	6616					
Bellies	5207	5255	4076	4811	4678	4338
Locks			2240		1956	1830

Industry News

Stock theft and vermin cause high losses

Stock theft and vermin, particularly jackal and lynx, is causing losses amounting to millions of rand to the small-stock industry.

According to figures released by the National Stock Theft Forum, a reported 78 332 sheep were stolen in 2007/08, of which only 20 209 were found and returned to their owners.

Losses suffered is estimated at around R58-million. Areas bordering Lesotho are the worst affected.

Vermin has over the same period caused losses amounting to an estimated R1 billion to the small-stock and game industries.