

## NATIONAL WOOL MARKET REPORT

Season : **2007/08**  
 Sale Date: **12-Dec-2007**  
 Catalogue: **MC16**



CAPE WOOLS SA

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The last sale before the Christmas break closed uneventfully with Cape Wools' Merino indicator softening by a marginal 0,4% at R57,64/kg (clean). The indicator nevertheless is 3% higher than the opening sale and up 26,8% on the same sale last season.

One of the factors that contributed to the slightly weaker market was the rand, which was 0,8% stronger against the US dollar and up 1,1% against the euro. According to local exporters, orders from Europe, a major market for South African wool, are also slow at present.

It was a fairly big sale with 10 192 bales on offer, of which 96% was sold. Major buyers were Modiano (2 975 bales), Chargeurs Wool (1 806 bales); Standard Wool SA (1 238 bales); Stucken (1 060 bales); and Segard Masurel (955 bales).

Prices across different length and micron categories were very mixed, with MF4 and MF5 types of 70 mm (19,5, 20 and 20,5 microns) between 1% to 2,5% dearer, while the medium qualities (21 to 22,5 microns) were up to 3% cheaper.

Sales will resume on 16 January when approximately 10 500 will come under the hammer.

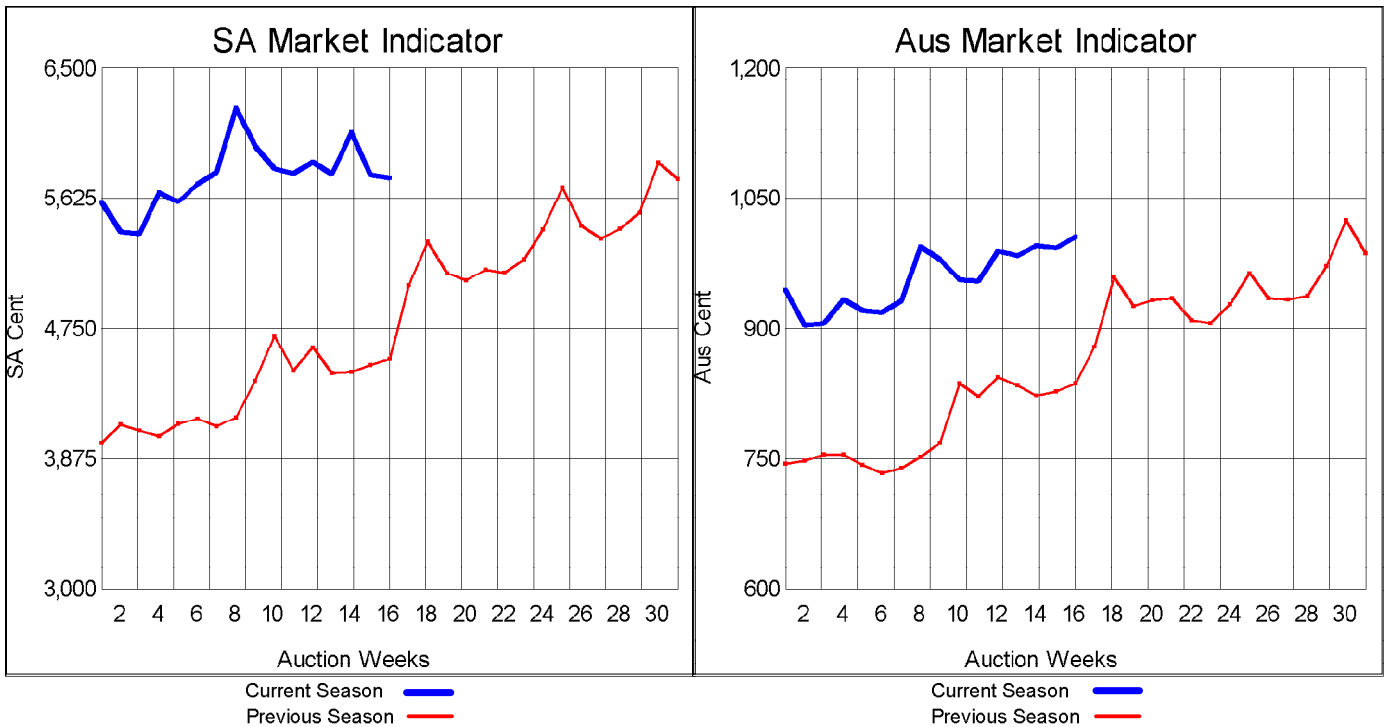
<b>Auction Analysis</b>									
<b>Composition of Fleece Offerings</b>				<b>Analysis of Offerings</b>					
Description	% This Week	% Prev Sale	Description	This Week			Previous Sale		
				%	Bales	% Sold	Bales	% Sold	
Long Wool	60.0	58.0	Merino Fleeces	38.8	3 956	99.2	4 031	93.2	
Medium Wool	33.7	33.8	Merino Bellies	5.5	559	98.2	636	92.6	
Short Wool and Locks	6.3	8.3	Merino Lambs	8.8	893	90.5	762	90.4	
Fine Wool (<20µ)	22.2	21.8	Merino Locks	2.9	297	97.3	597	89.1	
Medium Wool (20 - 22µ)	63.5	63.9	Other	44.0	4 487	94.5	4 125	91.4	
Strong Wool (22 - 24µ)	12.9	13.6	<b>Total</b>	<b>100.0</b>	<b>10 192</b>	<b>96.2</b>	<b>10 151</b>	<b>92.0</b>	
Overstrong (24 - 27µ)	1.3	0.8							
<b>Other Indicators</b>				<b>Offerings per Port</b>					
Indicators	This Week	Prev Sale	% Change	Ports	This Week (Bales)			Prev Sale (Bales)	
					Offered	Sold	% Sold	Offered	Sold
<b>SA Indicator</b>	<b>5 764</b>	<b>5 786</b>	<b>-0.4</b>						
AWEX EMI	1006	993	<b>1.3</b>	Durban	2 882	2 762	95.8	2 390	2 182
R/US Dollar	6.7319	6.7836	<b>0.8</b>	Port Elizabeth	7 310	7 047	96.4	7 761	7 157
R/A Dollar	5.9262	5.9007	<b>-0.4</b>	<b>Total</b>	<b>10 192</b>	<b>9 809</b>	<b>96.2</b>	<b>10 151</b>	<b>9 339</b>
R/Euro	9.8845	9.9898	<b>1.1</b>						
<b>Receipts 07 December 2007</b>									
<b>Main Buyers</b>				Season to Date (Kg)	Last Season (Kg)			% Change	
Buyers	This Week	% of Sale	To Date	<b>24 963 899</b>	<b>23 945 423</b>			<b>4.3</b>	
G Modiano	2 975	30.3	<b>36 329</b>	<b>Next Auction</b>					
Chargeurs Wool	1 806	18.4	<b>20 793</b>	Name	Date	Offerings (Bales)			
Standard Wool SA	1 238	12.6	<b>21 297</b>	S A Wool Exchange	16/01/2008	± 10 500			
Stucken	1 060	10.8	<b>19 713</b>	Van Lill Wool Buyers	-	-			
Segard Masurel	955	9.7	<b>22 268</b>	Saunders et al.	-	-			
Beier Fin	646	6.6	<b>8 160</b>	Lanata	-	-			
Lempriere (Aus) Ltd	616	6.3	<b>3 229</b>	<b>SA Indicator</b>	-	<b>MC16</b>			<b>5 764</b>
ADF	476	4.9	<b>6 773</b>	<b>Ave SA Indicator - Season to Date</b>					<b>5 768</b>
New England Wool	37	0.4	<b>1 421</b>	<b>Ave SA Indicator - Previous Season</b>					<b>4 818</b>

## 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					7896										6.2					
18.5		7633	7610	7548	7450	7133								-4.0	1.9	6.3				
19.0		7489	7516	7314	7073	6651								-0.7		-0.9				
19.5		7110	7089	7024	6668	6349								0.9	2.1	1.0	1.1	0.2		
20.0		6498	6376	6425	6097	5987	5179							2.1	-0.4	0.5	-3.6	1.0	-4.0	
20.5		6068	6076	6108	5844	5714	5038							-3.6	-0.7	2.6	-0.8	-0.7	-0.6	
21.0		5941	5879	5822	5721	5506	4960							-1.8	-1.1	-1.4	-0.7	1.0	-1.8	
21.5		5757	5688	5605	5637	5393								-0.1	-1.5	-3.1	-1.4	-2.7		
22.0		5593	5533	5584	5430	5325	5217							-0.5	-3.4	-1.5	-1.2	0.5	5.2	
22.5		5495	5493	5454	5423	4873	4830							1.6	-1.4	-0.1		-8.5		
23.0		5469		5263		4641											-5.6	-9.3		
23.5					4996	5035														
24.0				5016		4702														-4.0

\* 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								5265												
19.5																				
20.0			6322	6365	6016		5375						5.0	0.4						
20.5			5956	5761	5715	5411	5168						-3.3		-4.4					
21.0			5760	5583	5319	5469							-0.1	-2.7	-3.2	0.1				
21.5			5643	5508		5135							-1.0	-0.7		1.6				
22.0			5421	5442									-0.5	0.3						
22.5				5241	5124									-0.5						
23.0																				
23.5			5247																	
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
<b>Good Quality</b>						
Lambswool	7010	6265	5807	5980	5747	5102
Bellies	6426	5737	5307	6172	5617	4424
Locks		4923	3306	5325	3868	3452
<b>Average Quality</b>						
Lambswool	6659	6046	5549	5597	4905	4600
Bellies	6756	5751	5172	6367	4927	4859
Locks					3774	3383
<b>Inferior Quality</b>						
Fleecewool	6303	5877	5480	6813	3939	
Lambswool		5696		6431		
Bellies	6506	6416	4069	5269	4504	4913
Locks	5528	4350	3495	5354	3172	3379

#### Industry News

##### Strong rise in exports to China

Exports to China, the main importer of South African wool, continue to rise strongly in terms of volume and value.

According to export figures for July to October 2007, grease wool exports to China reached 2,6 mkg, which is up a massive 211% on the corresponding period in 2006. In terms of value, exports increased by 339%. India is the other destination which saw a significant increase in imports. Grease wool exports to this country soared 263% to just over one million kg in the period July to October 2007.

In terms of value China currently holds a 23,8% market share, followed by Italy (16,8%) Germany (16,1%), the Czech Republic (13,3) and India (10,9%).