

CAPE WOOLS SA
Final Wool Sales Report and Price Summary

Auction Date **29-Nov-2006**
Catalogue Number **MB14**



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Market Commentary

WOOL MARKET SLIGHTLY DEARER

PORT ELIZABETH: The wool market was slightly dearer at this week's sale and Cape Wools' market indicator gained 0,6% to close at R35,55/kg.

The rand was stronger against the dollar (up 0,8%) but weaker against the euro (down 1,6%) compared with last week.

Prices for Merino long wools were mixed, but the quality wools still attracted solid demand, with prices of these up 0,5% to just over 3%. The medium categories, 21 and 22 microns posted the biggest gains of 3% and 1% respectively.

The offering was smaller than last week but less wool was passed in and 96% of the 8 247 bales on offer was sold. Major buyers were Modiano (1 691 bales), SA Wool Exporters (1 516 bales), Segard Masurel (1 303 bales), Chargeurs Wools (1 137 bales) and Stucken (1 039 bales).

Average price movements for AWEX type fleeces MF3, MF4 and MF5 of 70 and 80 mm were as follows: 19 microns were down 3,3% at R51,55/kg; 20 microns were 0,6% dearer at R48,17/kg; 21 microns gained 3,2% at R45,55/kg; 22 microns were up 1,2% at R44,06/kg; 23 microns were 0,5% dearer at R43,75/kg, but there were no quotes for 24 and 25 microns. Approximately 11 000 bales will come under the hammer at next week's sale.

Auction Analysis

Composition of Fleece Offerings			Analysis of Offerings					
Description	% This Week	% Prev Week	Description	This Week			Previous Week	
				%	Bales	% Sold	Bales	% Sold
Long Wool	67.3	67.8	Merino Fleeces	39.7	3 270	98.6	6 437	79.0
Medium Wool	27.6	25.9	Merino Bellies	7.5	620	98.2	737	94.4
Short Wool and Locks	5.2	6.4	Merino Lambs	7.0	581	97.4	978	90.4
Fine Wool (<20μ)	21.5	18.6	Merino Locks	6.3	523	95.6	721	93.2
Medium Wool (20 - 22μ)	60.7	67.7	Other	39.4	3 253	93.5	4 488	88.5
Strong Wool (22 - 24μ)	16.4	13.1	Total	100.0	8 247	96.3	13 361	84.6
Overstrong (24 - 27μ)	1.4	0.6						

Other Indicators

Indicators	This Week	Prev Week	% Change	Ports	Offerings per Port				
					This Week (Bales)			Prev Week (Bales)	
					Offered	Sold	% Sold	Offered	Sold
SA Market Indicator	3 355	3 336	0.6	Cape Town	855	829	97.0	1 572	1 068
AWEX EMI	823	835	-1.4	Durban	2 269	2 155	95.0	2 765	2 450
R/US Dollar	7.0953	7.1550	0.8	Port Elizabeth	5 123	4 956	96.7	9 024	7 792
R/A Dollar	5.5515	5.5282	-0.4	Total	8 247	7 940	96.3	13 361	11 310
R/Euro	9.3496	9.2062	-1.6						

Receipts 24/11/2006

Main Buyers				Season to Date (Kg)		Last Season (Kg)		% Change
Buyers	This Week	% of Sale	To Date	22 274 645		22 999 706		-3.2
G Modiano	1 691	21.3	35 225					
S A Wool Exporters	1 516	19.1	18 973					
Segard Masurel	1 303	16.4	19 504					
Chargeurs Wool	1 137	14.3	16 541					
Stucken	1 039	13.1	16 951					
Beier Fin	581	7.3	9 274					
ADF	412	5.2	2 477					
Lempriere (Aus) Ltd	207	2.6	973					
New England Wool	54	0.7	604					

Next Auction

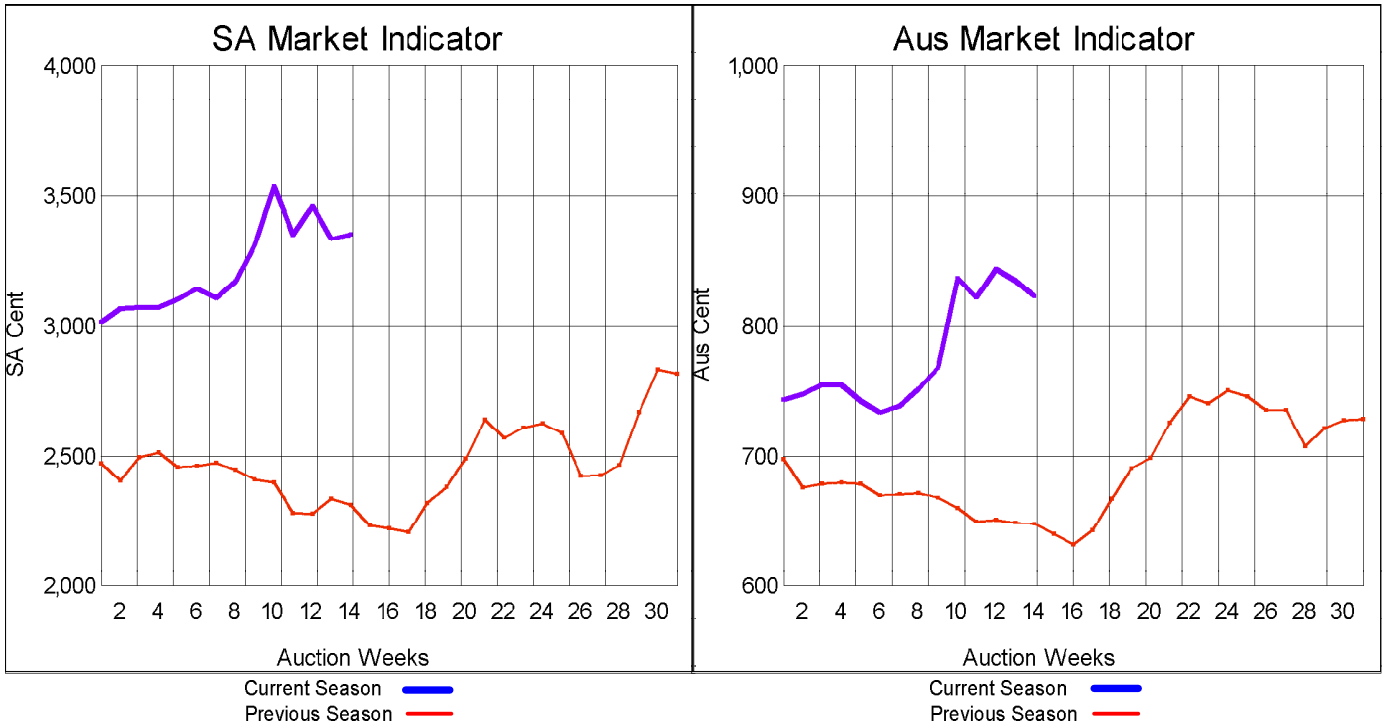
		Name	Date	Offerings (Bales)
		S A Wool Exchange	06/12/2006	± 11 500
		Van Lill Wool Buyers	05/12/2006	± 790
		Saunders et al.	05/12/2006	± 390
		Lanata	05/12/2006	± 690
SA Market Indicator		MB14		3 355
		Ave SA Market Indicator - Season to Date		3 223
		Ave SA Market Indicator - Previous Season		2 461

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Fleece Wool Prices (Spinners and Good Topmaking Styles, AWEX Types MF3,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			7671			4845														
18.5		5529	5609	5684		4826								-3.0	-0.7	1.9		0.2		
19.0		5424	5229	5082	4978									-0.2	-2.9	-3.9	-2.1			
19.5		5191	5073	5022	4862	4647								1.4	-0.6	-0.6	0.5	1.5		
20.0		4960	4889	4745	4752	4486								2.1	0.9	0.3	2.5	-2.2		
20.5		4760	4685	4648	4556	4398								-0.9	-1.7	0.0	-0.4	1.9		
21.0		4587	4583	4528	4443	4270	4089							-0.9	-0.1	-0.6	-0.3	0.7	4.1	
21.5		4496	4534	4448	4395	4195	4101							-1.2	0.1	-0.2	-0.9	-1.4	1.0	
22.0		4442	4465	4348	4409	4248								-0.5	0.9	-1.2	1.3	2.4		
22.5		4368	4390	4381	4378									1.6	-0.4	-0.3	1.9			
23.0			4387	4363											0.2	0.8				
23.5			4289	4402											-0.0	3.6				
24.0																				

* Based on a minimum of 3 lots sold per category



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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																				
19.5						4743														-2.3
20.0						4790	4585													-0.5
20.5		4664	4615	4454	4284	4062														0.1 0.4 -5.1
21.0				4170	4037	4277	4161													-5.4 -7.6 -0.4 3.2
21.5				4393	4236	4282														0.9 -0.5 -3.1
22.0				4315	4315	4060														0.9 3.1 1.7
22.5				4262	4116															-0.8 -1.4
23.0				4023	4109															-0.3
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	5985	4801		4538	4269	3922
Bellies		4297	4115	4431	3863	4074
Locks		2969		3592	2925	2940
Average Quality						
Lambswool	5095	4776	4504	4020	3727	3794
Bellies		4167	4101	3934	3828	3703
Locks		2783	2783	2714	2855	2772
Inferior Quality						
Fleecewool	4907	4257	4116			3835
Lambswool	4836	4348	4256	3273	3384	
Bellies		3254	3336	4148	3791	3439
Locks		2623	2671	2746	2615	2587

Industry News

Plan to save textile industry is possible

Government could consider a capital investment and technology upgrading investment programme for the textile industry, based on viable business plans to enhance competitiveness, Trade and Industry Minister Mandisi Mphahla said in parliament.

Replying to a question as to whether his department had plans to assist the domestic textile industry in a similar way as China or India, by providing funding for capital equipment at 1,5% interest, he said his department had recognised the need to provide the right support for investment in the textile industry. He said such support could be facilitated through a “mix of upgrading grants, tax rebates and preferential lending rates.”