

National Weekly Wool Market Report

Season: 2016/2017

Sale Date: 06 & 07 December 2016



CAPE WOOLS SA

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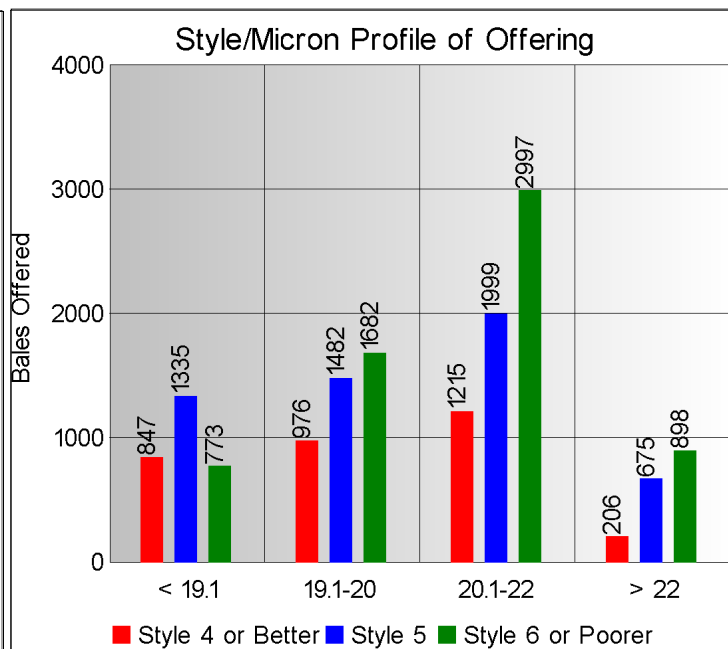
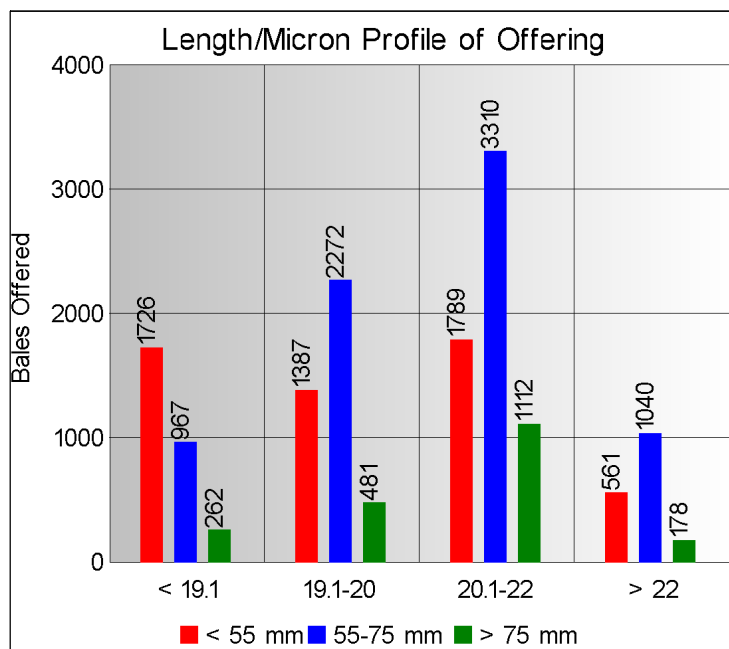
| SA Merino Indicator | | | | Buyers | | | |
|----------------------|--------------|---------------|----------|---------------------|---------------------------|----------------|-----------------------------------|
| Indicator Unit | Current Sale | Last Sale | Change | Company | Bales Purchased This Week | % of Purchases | Total Bales Purchased This Season |
| # SA c/kg | 14693 | 15540 | -5.5% | G Modiano SA | 4908 | 32.5% | 51008 |
| Ave. to date (16/17) | 15079 | 15104 | -0.2% | Standard Wool SA | 3850 | 25.5% | 49738 |
| Ave. to date (15/16) | 12888 | | | Lempriere SA | 2705 | 17.9% | 31873 |
| US c/kg | 1084 | 1114 | -2.7% | Stucken & Co | 1904 | 12.6% | 16930 |
| Euro c/kg | 1006 | 1047 | -3.9% | Segard Masurel SA | 317 | 2.1% | 8481 |
| AWEX EMI | 1342 | 1378 | -2.6% | H Dawson Sons & Co | 258 | 1.7% | 504 |
| Exchange Rates | | | | New England Wool SA | 98 | 0.7% | 1936 |
| Currency Unit | This Week | Previous Week | % Change | SAFIL SA | | | |
| R/USD | 13.5600 | 13.9489 | 2.8% | | | | |
| R/Euro | 14.6049 | 14.8400 | 1.6% | | | | |
| R/AUD | 10.0927 | 10.4156 | 3.1% | | | | |
| USD/AUD | 0.7442 | 0.7468 | 0.3% | | | | |

Analysis of Offerings by Broker This Week (Bales)

| Broker | Merino Fleeces | Merino Bellies | Merino Lambs | Merino Backs | Merino Locks | * Other | Total | % Sold |
|--------------|----------------|----------------|--------------|--------------|--------------|-------------|--------------|--------------|
| BKB | 6433 | 770 | 1098 | 0 | 235 | 839 | 9375 | 94.2% |
| CMW | 2239 | 313 | 450 | 278 | 133 | 497 | 3910 | 92.7% |
| JLW | 62 | 1 | 15 | 0 | 6 | 4 | 88 | 95.5% |
| MAS | 585 | 49 | 64 | 0 | 43 | 99 | 840 | 85.0% |
| QWB | 292 | 11 | 38 | 0 | 14 | 225 | 580 | 97.2% |
| SBL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| VLW | 239 | 18 | 12 | 0 | 8 | 15 | 292 | 77.7% |
| Total | 9850 | 1162 | 1677 | 278 | 439 | 1679 | 15085 | 93.1% |

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

2016/17 Declared Receipts : 13 November 2016

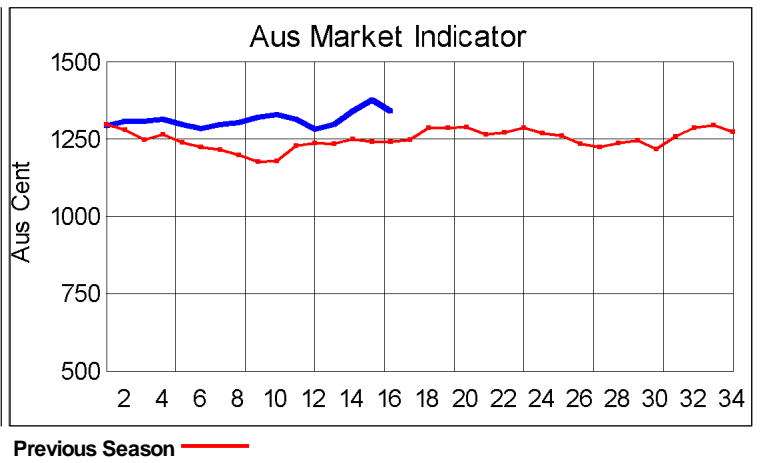
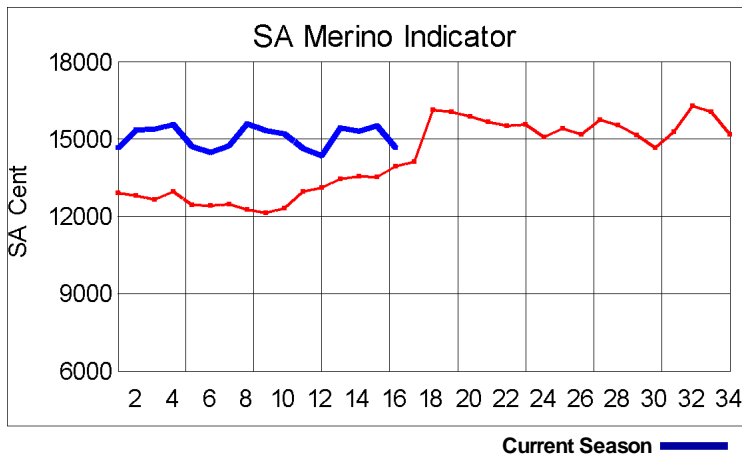
24,966,640.5

2016/17 Declared Receipts : 04 December 2016

28,514,006.6

Percentage Change (Year-on-Year) :

1.88



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 | | | 17376 | 17582 | 17174 | 16646 | | | | |
| 18.5 | | | 16496 | 16808 | 16618 | 16434 | 15902 | | | |
| 19.0 | | | 16493 | 16477 | 16062 | 15487 | 14584 | | | |
| 19.5 | | 15699 | 15523 | 15411 | 15440 | 14908 | 13657 | | | |
| 20.0 | | | 14494 | 14666 | 14258 | 13942 | 13766 | | | |
| 20.5 | | 14527 | 14277 | 14301 | 13906 | 13465 | 13076 | | | |
| 21.0 | | | 14063 | 14139 | 13901 | 13026 | | | | |
| 21.5 | | 14010 | 13649 | 13978 | 13620 | 12965 | 12385 | | | |
| 22.0 | | | 13805 | 13827 | 13353 | | | | | |
| 22.5 | | | 13571 | 13976 | 13853 | | | | | |
| 23.0 | | | 13323 | 13660 | | | | | | |
| 23.5 | | | | | | | | | | |
| 24.0 | | | | | | | | | | |

* Based on a minimum of 3 lots sold per category

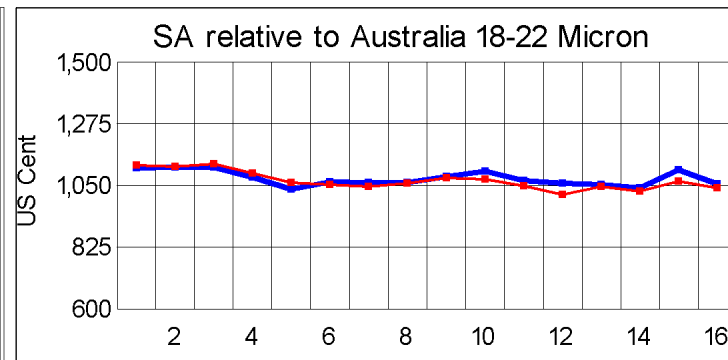
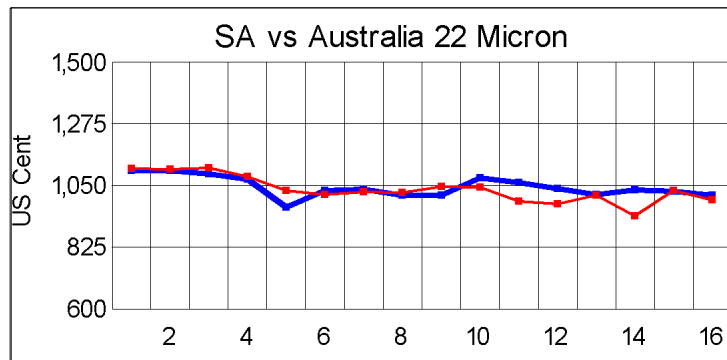
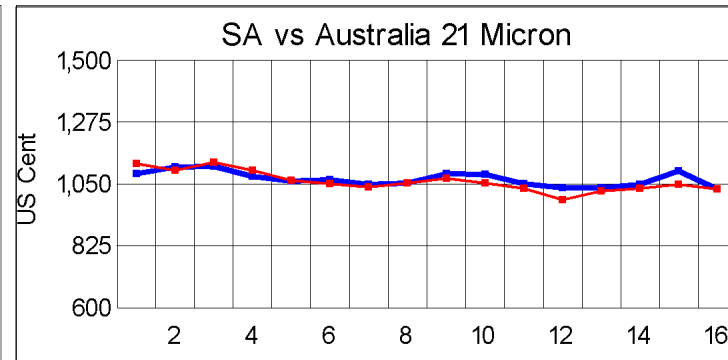
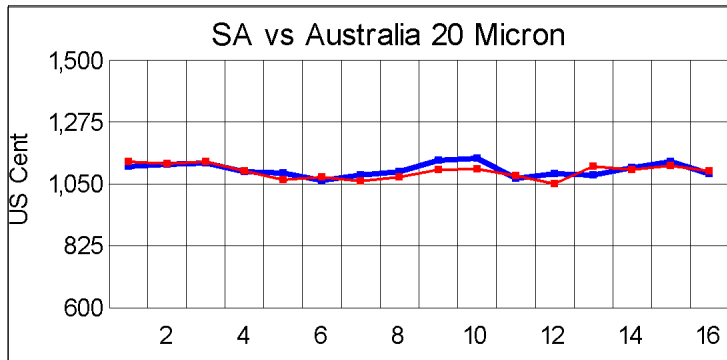
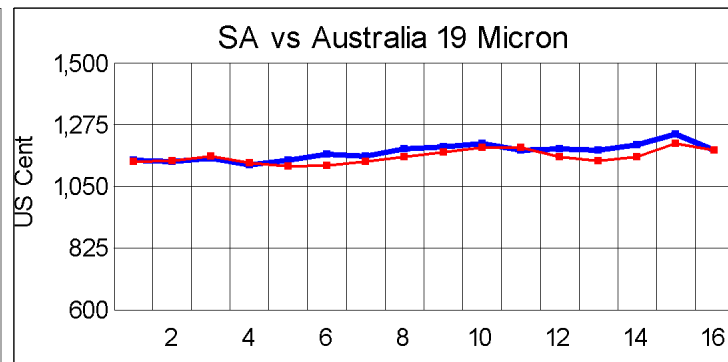
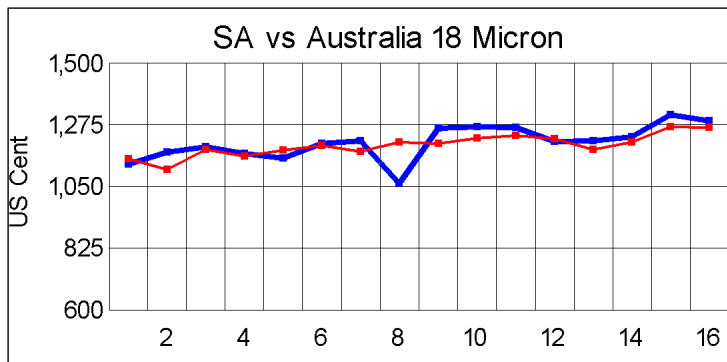
Average Topmaking Styles (AWEX MF6)

| Micron | 100+mm | 90mm | 80mm | 70mm | 60mm | 50mm | 40mm | 30mm | 20mm | 10mm |
|--------|--------|------|-------|-------|-------|-------|-------|------|------|------|
| 18.0 | | | | | | | | | | |
| 18.5 | | | | | | | | | | |
| 19.0 | | | | | | | | | | |
| 19.5 | | | | | | 14395 | | | | |
| 20.0 | | | 14194 | 13995 | 13580 | 13390 | 13061 | | | |
| 20.5 | | | | 13258 | 13332 | | | | | |
| 21.0 | | | 13717 | 13085 | | | | | | |
| 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 | 16313 | 14680 | 13957 | 15114 | 13922 | 13275 |
| Bellies | 14847 | 14312 | | 14608 | 13735 | 12282 |
| Locks | | | | 13088 | 12373 | |
| Average Quality | | | | | | |
| Lambswool | 15817 | 14184 | 13827 | 13988 | 12772 | 11805 |
| Bellies | 15252 | 13829 | 12392 | 13907 | 13364 | 11676 |
| Locks | | | | 12416 | 10759 | 9823 |
| Inferior Quality | | | | | | |
| Fleecewool | 14721 | 13822 | 12988 | 15939 | 12485 | 12597 |
| Lambswool | | | | 13564 | | |
| Bellies | 15742 | 14479 | | 13360 | 12812 | 11262 |
| Locks | | | | 10966 | 10152 | 7570 |



— SA in USc
— Aus in USc

— SA in USc
— Aus in USc

Market Commentary

WOOL MARKET 5,5% DECLINE

Port Elizabeth -The wool market traded 5,5% lower this week and the Cape Wools Merino Indicator decreased by 847 points to close at a value of R146,93 (Clean).On the Australian market,the EMI decreased 2,6%.The Cape Wools All Wool Indicator lost 5,5%.

At the final sale for the 2016 calendar year the wool market eased to trade below the 15,000 (Clean) level. There was a large quantity of wool on offer today which inevitably resulted in a larger percentage of wool left unsold. The finer end of the market surprisingly traded lower whilst the coarser wool appreciated in value. The knock-on effect of the appreciating Rand was felt and buyers commented that a more even distribution of wool receipts throughout the year would benefit producer returns.

The competition between buyers was good particularly on the longer and better quality wool.

This week saw the Rand at R13,56 to the US dollar. The Rand strengthened by 2,8% against the US Dollar compared with the average rate at the previous sale. The Rand gained 1,6% against the Euro, trading at R14,60. The offering comprised of 15 085 bales of which 93,1% was sold. Major traders were Modiano (4 908), Standard Wool SA (3 850), Lempriere SA (2 705) and Stucken & Co (1 904).

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 dropped 3,0% to close at R171,86/kg; 18,5 microns decreased 0,9% to close at R166,72/kg; 19 microns decreased 4,7% to close at R160,65/kg; 19,5 microns lost 4,5% to close at R153,04/kg; 20 microns decreased with 4,4% to close at R149,06/kg; 20,5 microns lost 6,0% to close at R140,53/kg; 21,0 microns lost 4,6% to close at R139,94/kg; 21,5 microns decreased 4,7% to close at R137,10/kg; 22 microns lost 5,9% to close at R135,57/kg and 22,5 microns lost 0,1% to close at R137,83/kg.

The next sale is scheduled for 11 January 2017 where approximately ±11 534 bales will be on sale.

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