

CAPE WOOLS SA
Final Wool Sales Report and Price Summary

Auction Date **22-Aug-2007**

Catalogue Number **MC01**



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Market Commentary

MARKET OPENS SOFTER

PORT ELIZABETH: While the market was softer at the opening sale of the new season, prices were more buoyant than was expected, and Cape Wools' overall indicator closed the day down only 2,8% at R55,96/kg (clean).

Buyers expected the market to open at lower levels due to local prices having being higher than in Australia at the final sale. The market closed at a four-year high with the indicator up 42% for the season.

Taking into account the big offering of 15 000 bales and a volatile currency, which saw the rand strengthening against the US dollar and the euro during the day, the market was surprisingly strong. This could in part be attributed to keen demand from processors who needed to stock up to carry them over to the next sale in two week's time.

A sales percentage of 96% was achieved. Major buyers were Modiano (3 630 bales), Stucken (2 136 bales), Chargeurs Wool (2 008 bales), Segard Masurel (1 869 bales), and SA Wool Exporters (1 843 bales).

Average price movements for AWEX-type fleeces MF3, MF4 and MF5 of 70 and 80 mm were as follows: 19 microns dropped 6,6% at R65,69; 20 microns were down 5,2% at R60,93/kg; 21 microns were 3,3% softer at R57,77/kg; 22 microns were down 4,2% at R55,72/kg, 23 microns shed 3% at R53,62/kg, 24 microns were 1,4% cheaper at R50,07/kg, but there were no quotes for 25 microns.

The next sale will be on 05 September when approximately 10 000 bales will be offered.

PS. Please note that the calculation of the indicator has been revised. See page 3 of report

Auction Analysis

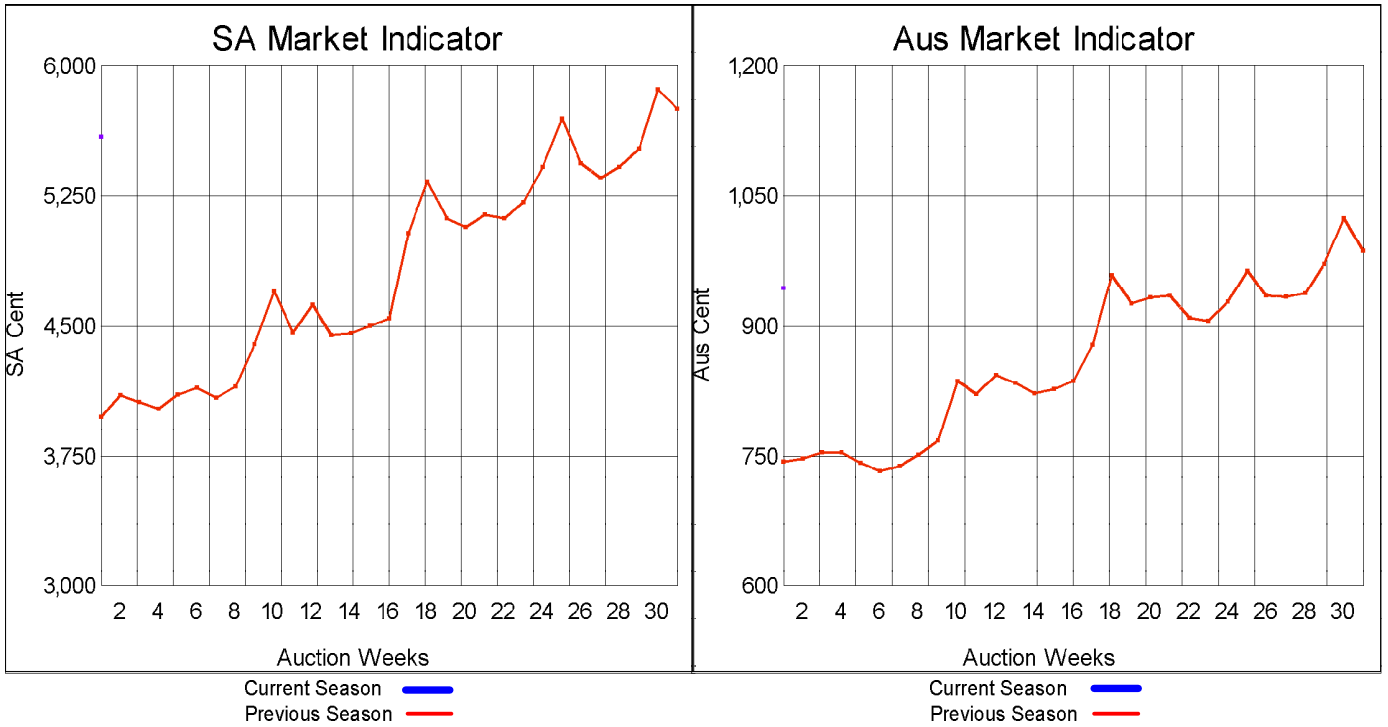
Composition of Fleece Offerings				Analysis of Offerings					
Description	% This Week	% Prev Auction	Description	This Week			Previous Auction		
				%	Bales	% Sold	Bales	% Sold	
Long Wool	56.8	44.3	Merino Fleeces	57.0	8 402	99.0	5 721	87.4	
Medium Wool	35.7	43.0	Merino Bellies	6.4	937	93.2	1 001	97.1	
Short Wool and Locks	7.5	12.8	Merino Lambs	10.7	1 574	94.4	1 711	96.9	
Fine Wool (<20µ)	17.4	20.7	Merino Locks	5.4	791	99.4	1 043	99.5	
Medium Wool (20 - 22µ)	63.5	59.2	Other	20.6	3 036	90.6	4 849	92.7	
Strong Wool (22 - 24µ)	17.0	19.2	Total	100.0	14 740	96.4	14 325	91.9	
Overstrong (24 - 27µ)	2.1	0.8							
Other Indicators				Offerings per Port					
Indicators	This Week	Prev Auction	% Change	Ports	This Week (Bales)			Prev Auction (Bales)	
					Offered	Sold	% Sold	Offered	Sold
SA AWEX Indicator	5 596	5 756	-2.8	Cape Town	0	0	0.0	1 308	1 072
AWEX EMI	944	987	-4.4	Durban	952	854	89.7	2 126	2 026
R/US Dollar	7.3014	7.2490	-0.7	Port Elizabeth	13 788	13 358	96.9	10 891	10 068
R/A Dollar	5.8623	6.0867	3.7	Total	14 740	14 212	96.4	14 325	13 166
R/Euro	9.8515	9.6354	-2.2						
Main Buyers				Receipts 17 August 2007					
Buyers	This Week	% of Sale	To Date	Season to Date (Kg)		Last Season (Kg)		% Change	
				3 712 572	3 286 106	13.0			
G Modiano	3 630	25.5	3 630	Next Auction					
Stucken	2 136	15.0	2 136	Name	Date	Offerings (Bales)			
Chargeurs Wool	2 008	14.1	2 008	S A Wool Exchange	05/09/2007	± 10 000			
Segard Masurel	1 869	13.2	1 869	Van Lill Wool Buyers	-	-			
S A Wool Exporters	1 843	13.0	1 843	Saunders et al.	-	-			
ADF	1 397	9.8	1 397	Lanata	-	-			
Beier Fin	936	6.6	936	SA AWEX Indicator	-	MC01	5 596		
Lempriere (Aus) Ltd	231	1.6	231	Ave SA AWEX Indicator - Season to Date				5 596	
New England Wool	162	1.1	162	Ave SA AWEX Indicator - Previous Season				4 818	

Cape Wools SA

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				8170		6146														
18.5				7501	6717	6368	5649						3.7		-3.0					
19.0				6569	6395	5832	5407							-5.9	-4.6	-12.8	-8.2			
19.5	6639	6503	6448	6179	5750	5269	5090							-5.2	-4.0	-4.5	-4.9	-7.1		
20.0	6293	6148	6037	5856	5533	4999	4387							-3.8	-4.4	-6.4	-2.7	-2.3	-5.6	
20.5	5895	5774	5868	5623	5266	4801								-4.3	-7.4	-3.0	-2.9	-3.6	-1.1	
21.0	5800	5810	5743	5502	5183	4804								-3.8	-3.4	-3.2	-2.5	-2.7	-4.5	
21.5	5772	5676	5608	5376	5084	4628								-2.3	0.8	-2.2	-2.9	-1.4	-4.1	
22.0	5745	5631	5512	5325	5095	4478								-4.2	-4.5	-2.9	-0.3	-6.9		
22.5	5629	5543	5509	5328	4900									-3.8	-2.4	-1.2	-0.7			
23.0		5427	5297	5091										-1.8	-4.5	-4.8				
23.5	5346	5240	5191	4978	4628									-2.9	-1.0	-5.0	-2.9			
24.0		5023	4991													1.3				

* 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																				
19.5																				
20.0					5979	5993								-6.7	10.9					
20.5					5759	5608	5371	4943						-2.4	21.0	-0.6	8.9			
21.0					5800	5380	5157	4386						-1.3		1.8	-9.8			
21.5					5657	5542	5318	5133							0.0	0.2				
22.0					5559	5370		4830								3.7				
22.5					5441	5311		4776												
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	6654	6045	5702	5772	5402	5148
Bellies		5534	5435	5580	5550	5237
Locks				3519	3484	3499
Average Quality						
Lambswool	6327	5668	5409	5690	5192	4744
Bellies	5921	5775	5359	5236	5152	4837
Locks			3081	3482	3471	3354
Inferior Quality						
Fleecewool		5366	5285		4892	3264
Lambswool	6346			5865		
Bellies	5868	5875	5312	4845	5100	4630
Locks	3714	3175	2882	2892	3014	2981

Industry News

Cape Wools revises calculation of overall indicator

Cape Wools has revised the calculation of the market indicator for the new season.

Previously, the indicator was calculated using a weighted data basis of all wool sold, irrespective of micron, length, style or category.

To more accurately reflect the overall market movement of Merino wool specifically, it was decided to use a fixed basket of 64 groups of Merino types. These groups were selected after an analysis of the clip composition over the past three seasons showed that these types represented some 83% of the clip at most auctions.

Last season's recalculated indicators for each auction are available on Cape Wools' website at

www.capewools.co.za