

NATIONAL WOOL MARKET REPORT

Season : 2007/08
 Sale Date: 5-Sep-2007
 Catalogue: MC02



CAPE WOOLS SA

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Market Commentary

Wool prices were softer at this week's sale in line with Australia where the market has been moving downward since last week. As a result, the Cape Wools' indicator shed 3,5% to finish the day at R53,99/kg (clean).

Buyers say local prices currently are on par with or slightly dearer than Australian prices. New England Wool paid the highest price of R72,40/kg (greasy) for a bale of 18,8 microns offered by Mr Giepie Caldo from Trompsburg, while a second bale of 17,8 microns fetched R68,70/kg.

A high sales percentage was achieved, with 97% of the 9 737 bales on offer changing hands. Major buyers were Modiano (2 635 bales), Segard Masurel (2 453 bales), Standard Wool SA (1 398 bales), Stucken (1 233 bales), and Chargeurs Wool (1 121 bales).

Average price movements for AWEX-type fleeces MF3, MF4 and MF5 of 70 and 80 mm were as follows: 19 microns were unchanged at R65,62/kg; 20 microns were down 3,2% at R58,96/kg; 21 microns were 4,5% softer at R55,18/kg; 22 microns were down 3,6% at R53,69/kg, 23 microns shed 2,3% at R52,41/kg, 24 microns were a marginal 0,3% cheaper at R50,19/kg, but there were no quotes for 25 microns.

Approximately 9 000 bales will come under the hammer at next week's sale.

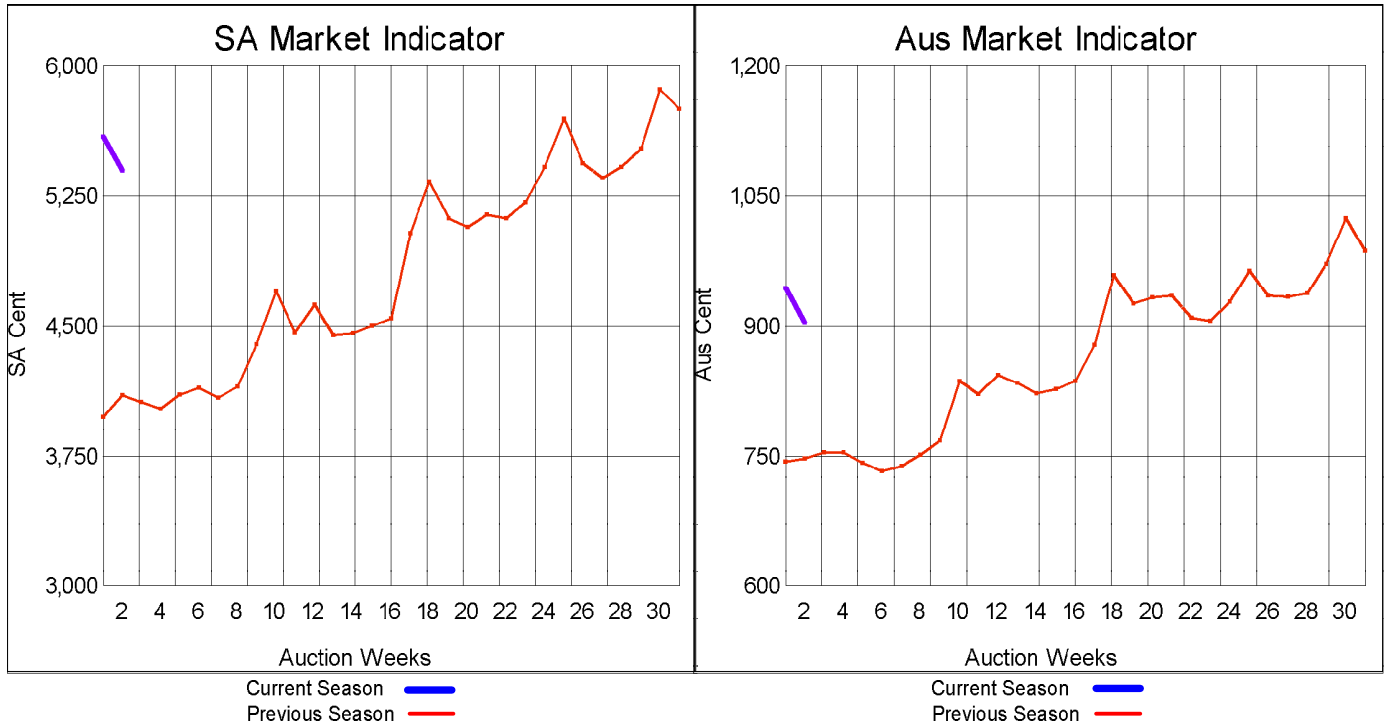
Auction Analysis									
Composition of Fleece Offerings				Analysis of Offerings					
Description	% This Week	% Prev Sale	Description	This Week			Previous Sale		
				%	Bales	% Sold	Bales	% Sold	
Long Wool	63.6	56.8	Merino Fleeces	56.3	5 484	99.0	8 402	99.0	
Medium Wool	32.0	35.7	Merino Bellies	7.2	698	95.3	937	93.2	
Short Wool and Locks	4.4	7.5	Merino Lambs	11.1	1 080	97.4	1 574	94.4	
Fine Wool (<20µ)	20.5	17.4	Merino Locks	6.6	645	97.5	791	99.4	
Medium Wool (20 - 22µ)	65.0	63.5	Other	18.8	1 830	94.2	3 036	90.6	
Strong Wool (22 - 24µ)	13.6	17.0	Total	100.0	9 737	97.6	14 740	96.4	
Overstrong (24 - 27µ)	0.9	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	5 399	5 596	-3.5						
AWEX EMI	904	944	-4.2	Durban	1 325	1 250	94.3	952	854
R/US Dollar	7.2260	7.3014	1.0	Port Elizabeth	8 412	8 251	98.1	13 788	13 358
R/A Dollar	5.9401	5.8623	-1.3	Total	9 737	9 501	97.6	14 740	14 212
R/Euro	9.8162	9.8515	0.4						
Main Buyers				Receipts 31 August 2007					
Buyers	This Week	% of Sale	To Date	Season to Date (Kg)		Last Season (Kg)		% Change	
				6 078 327	5 055 067	20.2			
G Modiano	2 635	27.7	6 265	Next Auction					
Segard Masurel	2 453	25.8	4 332	Name		Date		Offerings (Bales)	
Standard Wool SA	1 398	14.7	3 309	S A Wool Exchange		12/09/2007		± 6 200	
Stucken	1 233	13.0	3 466	Van Lill Wool Buyers		11/09/2007		± 700	
Chargeurs Wool	1 121	11.8	3 144	Saunders et al.		11/09/2007		± 770	
Beier Fin	423	4.5	1 404	Lanata		11/09/2007		± 1 300	
ADF	144	1.5	1 541	SA Indicator - MC02				5 399	
Lempriere (Aus) Ltd	57	0.6	288	Ave SA Indicator - Season to Date				5 498	
New England Wool	37	0.4	199	Ave SA Indicator - Previous Season				4 818	

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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					6620															
18.5			6953	7304		5759							3.9	-2.7		-10.4				
19.0		6534	6924	6562	6380	5781	5177							-0.1	-0.2	-0.9	-4.4			
19.5		6208	6177	6125	6070	5360	4933							-6.9	-5.3	-5.3	-1.8	-7.3	-6.8	
20.0		5894	5906	5886	5735	5212	4897							-6.8	-4.1	-2.6	-1.5	-6.2	-2.1	
20.5		5730	5666	5630	5452	5179	4628							-2.9	-1.9	-4.2	-3.1	-1.7	-3.7	
21.0	5520	5521	5526	5510	5366	4985								-5.1	-5.1	-4.2	-2.5	-3.8		
21.5		5511	5499	5410	5317	4989	4687							-4.7	-3.2	-3.7	-1.1	-1.9	1.3	
22.0	5377	5401	5379	5358	5195	4956	4725							-6.4	-4.7	-2.9	-2.5	-2.8	5.2	
22.5		5390	5339	5272	5192									-4.4	-3.3	-4.5	-2.6			
23.0		5309	5283	5199	5118										-2.7	-1.9	0.5			
23.5		5241	5219	5284	5035	4907								-2.0	-0.4	1.8	1.1	5.7		
24.0			5077	4961	4798										1.1	-0.6				

* 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																				
20.0																				
20.5			5489	5588	5435	5107								-3.1	-3.2	-5.2				
21.0				5319	5243	4876								-9.0	-2.6	-5.8				
21.5				5361	5243	5136								-3.4	-1.4	0.1				
22.0				5191										-3.5						
22.5		5174		5232	4934									-1.5						
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	6451	5876	5465	5547	5292	5092
Bellies	6010	5369	5119	5122	5450	4985
Locks				3809	3842	
Average Quality						
Lambswool	6184	4944	5223	5434	4949	5089
Bellies		5405	5245	5372	5378	4901
Locks	3951			3889	3593	3309
Inferior Quality						
Fleecewool		5373	5010	5044	5157	
Lambswool	6406				5499	
Bellies		5312	5250	5118	4907	4593
Locks		3319	3373	3477	3284	3271

Industry News

Exports to China almost doubled

Grease wool exports to China nearly doubled in 2006/07, making it the biggest importer of South African wool for a second consecutive season. Just under 11 mkg grease wool was shipped to Chinese processors compared with just over 6 mkg in 2005/06. Calculated on a volume basis, this represents 28,8% of total exports.

Italy was the second biggest destination, importing 3,7 mkg grease and 2,8 mkg scoureds and wool top, representing 19,1% of total exports (volume). Third was the Czech Republic (15,8%), followed by Germany (12,6%).

More wool was also shipped to India, which became the fifth largest importer (5%), moving up from the eighth spot in 2005/06.