

# NATIONAL WOOL MARKET REPORT

Season : **2007/08**  
 Sale Date: **19-Sep-2007**  
 Catalogue: **MC04**



CAPE WOOLS SA

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## Market Commentary

The market posted solid gains at this week's sale in line with the Australian market where prices have been improving since last week. The Cape Wool Merino wool indicator finished the day up 5,2% on last week at R56,66/kg (clean). The smaller offering of only 6 150 bales resulted in keen competition from all sectors of the trade, providing further support to the market.

The rand was 1,1% stronger against the US dollar compared with last week, trading at R7,06 but was unchanged against the Euro. The Australian dollar, however, improved more against the US dollar, making the South African market a slightly more attractive alternative for overseas buyers, providing further impetus to prices.

Most micron categories made strong gains, with 19 and 20 microns posting the biggest rises of 5,9% and 7,7% respectively. Major buyers were Modiano (2 067 bales), Chargeurs Wool (859 bales), Standard Wool SA (850 bales), Segard Masurel (827 bales), and Stucken (496 bales).

Average price movements for AWEX-type fleeces MF3, MF4 and MF5 of 70 and 80 mm were as follows: 19 microns were 5,9% dearer at R67,72/kg; 20 microns gained 7,7% at R61,44/kg; 21 microns rose 4,5% to R57,12/kg; 22 microns were up 4,4% at R55,83/kg, 23 microns were 4,7% dearer at R54,81/kg, 24 microns rose 1,1% at R50,88/kg, but there were no quotes for 25 microns.

Approximately 9 000 bales have been rostered for next week's sale.

## Auction Analysis

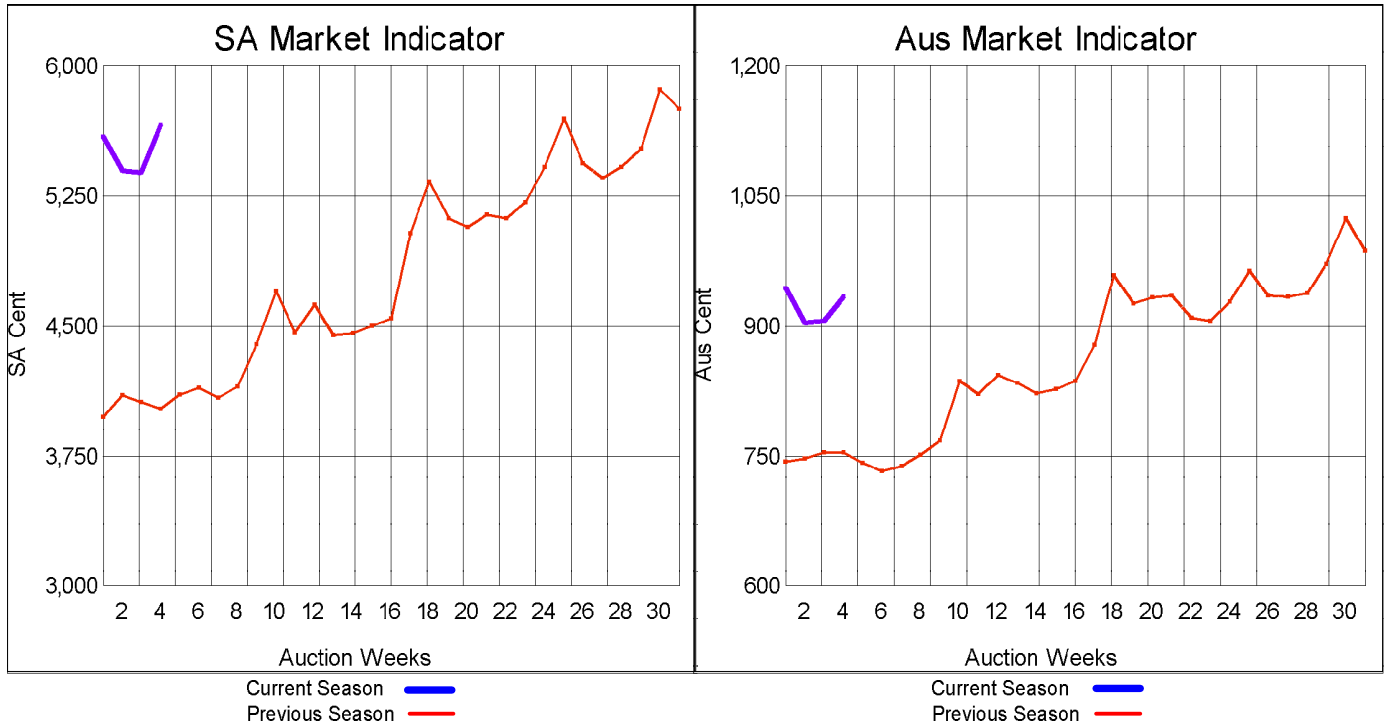
Composition of Fleece Offerings				Analysis of Offerings					
Description	% This Week	% Prev Sale	Description	This Week			Previous Sale		
				%	Bales	% Sold	Bales	% Sold	
Long Wool	65.2	60.8	Merino Fleeces	52.7	3 242	99.9	4 691	98.5	
Medium Wool	30.7	31.8	Merino Bellies	6.9	424	97.2	696	97.7	
Short Wool and Locks	4.1	7.4	Merino Lambs	10.5	643	99.8	865	96.9	
Fine Wool (<20µ)	19.4	15.9	Merino Locks	5.7	350	100.0	679	99.9	
Medium Wool (20 - 22µ)	64.1	63.3	Other	24.2	1 491	97.2	1 529	97.0	
Strong Wool (22 - 24µ)	14.1	19.2	<b>Total</b>	<b>100.0</b>	<b>6 150</b>	<b>99.1</b>	<b>8 460</b>	<b>98.1</b>	
Overstrong (24 - 27µ)	2.4	1.6							
Other Indicators				Offerings per Port					
Indicators	This Week	Prev Sale	% Change	Ports	This Week (Bales)			Prev Sale (Bales)	
					Offered	Sold	% Sold	Offered	Sold
<b>SA Indicator</b>	<b>5 666</b>	<b>5 387</b>	<b>5.2</b>						
AWEX EMI	934	906	3.1	Durban	729	719	98.6	630	614
R/US Dollar	7.0653	7.1463	1.1	Port Elizabeth	5 421	5 373	99.1	7 830	7 685
R/A Dollar	6.0259	5.9703	-0.9	<b>Total</b>	<b>6 150</b>	<b>6 092</b>	<b>99.1</b>	<b>8 460</b>	<b>8 299</b>
R/Euro	9.8682	9.8677	0.0						
Main Buyers				Receipts 14 September 2007					
Buyers	This Week	% of Sale	To Date	Season to Date (Kg)		Last Season (Kg)		% Change	
				8 288 378	7 038 162	17.8			
G Modiano	2 067	33.9	10 153	<b>Next Auction</b>					
Chargeurs Wool	859	14.1	5 078	Name		Date	Offerings (Bales)		
Standard Wool S A	850	14.0	5 439	S A Wool Exchange		26/09/2007	± 7 500		
Segard Masurel	827	13.6	6 902	Van Lill Wool Buyers		25/09/2007	± 340		
Stucken	496	8.1	5 337	Saunders et al.		25/09/2007	± 630		
ADF	394	6.5	2 427	Lanata		25/09/2007	± 680		
Beier Fin	324	5.3	2 190	<b>SA Indicator</b>		-	<b>MC04</b>	<b>5 666</b>	
Lempriere (Aus) Ltd	206	3.4	585	<b>Ave SA Indicator - Season to Date</b>				<b>5 512</b>	
New England Wool	69	1.1	301	<b>Ave SA Indicator - Previous Season</b>				<b>4 818</b>	

# 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																					
18.5			7342	7374	6788											7.3					
19.0		6836	6869	6676				5346								4.2					
19.5		6609	6487	6421	6217	5880	5427					5.3	5.6	4.0	3.8	3.7	6.3				
20.0		6121	6156	6133	6056	5777	5227					3.1	4.7	9.7	5.9	7.8	2.9				
20.5		5925	5904	5840	5765	5338	5092					4.8	4.6	4.3	5.2	1.6	4.6				
21.0		5741	5724	5699	5610	5306	4901					4.6	4.2	4.4	4.3	3.5	3.2				
21.5		5683	5661	5610	5546	5290	4954					5.1	4.5	4.5	3.8	7.4	4.1				
22.0		5585	5613	5553	5428	5106						4.5	4.5	3.9	3.0	1.7					
22.5		5559	5529	5232	5451	4646						4.9	4.4	-1.1	5.2	-3.3					
23.0		5353		5481		5071						3.4		5.1		3.9					
23.5		5355	5406									3.7	6.1								
24.0			5088			4559								0.1							

\* 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																				
20.5			5732	5797	5741									7.9						
21.0			5674	5567	5584	5409								5.8	6.8					
21.5						5200														
22.0			5526	5591									4.1	5.6						
22.5						5111														
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
<b>Good Quality</b>						
Lambswool	6780	6021	5766	5655	5351	5180
Bellies			5481	5710	5304	5218
Locks		3652	3652	4412	3873	3916
<b>Average Quality</b>						
Lambswool	6523	5956	5683	5276	5358	
Bellies	6042	5632	5609	5389	5502	5308
Locks				3931	3681	3469
<b>Inferior Quality</b>						
Fleecewool		5722	5539			5452
Lambswool	6240	6004				
Bellies	6066	5893	5358	5256	5372	4886
Locks				3359	3401	3368

#### Industry News

##### Clip getting finer

The South African clip is shifting toward the finer end of the scale. Test results for 2006/07 show that 28% of the clip tested 20 microns or finer, compared with 25% the previous season.

The proportion of the clip testing finer than 22 microns increased to 80,3% from 77,7% in 2005/06.

A further break-down of test results shows a 2,8% shift to the 19,1 to 20,0-micron range, which represented 18,5% of the clip. The largest percentage (31,9%) fell in the 20,1 to 21-micron range, followed by 21,1 to 22 microns (20,3%). Only 2,6% of the clip tested 24,1 microns or stronger.

Yields also improved and 19,5% of the clip achieved a yield of 70% or higher, with 43,6% yielding 60% to 70%.