

NATIONAL WOOL MARKET REPORT

Season : 2007/08
 Sale Date: 26-Sep-2007
 Catalogue: MC05



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Market Commentary

The market softened slightly after last week's surge, mainly as a result of the stronger rand, and Cape Wools' Merino indicator closed the day down 1,2% at R56,00/kg (clean). The rand, buoyed by the firm euro, was trading at its best levels since June this year at R6,94 against the US dollar, up 1,7% compared with last Wednesday. It was 0,6% stronger against the euro. Most micron categories were selling at lower prices. The biggest drop was in the 20, and 22-micron categories, which were down 2,6% and 2% respectively. This week saw a slightly bigger sale, with 8 514 bales on offer of which 98% was sold. Major buyers were Modiano (1921 bales), Segard Masurel (1 592 bales), Stucken (1 430 bales), Standard Wool SA (1 182 bales) and Chargeurs Wool (1 067 bales). Average price movements for AWEX-type fleeces MF3, MF4 and MF5 of 70 and 80 mm were as follows: 19 microns were 0,7% cheaper at R67,23/kg; 20 microns were down 2,6% at R59,81/kg; 21 microns dropped 1,1% to R56,47/kg and 22 microns were down 2% at R54,73/kg. There were insufficient quantities on offer to quote for 23, 24 and 25 microns in these style/length categories.

Approximately 7 500 bales will be offered at next week's sale.

Auction Analysis

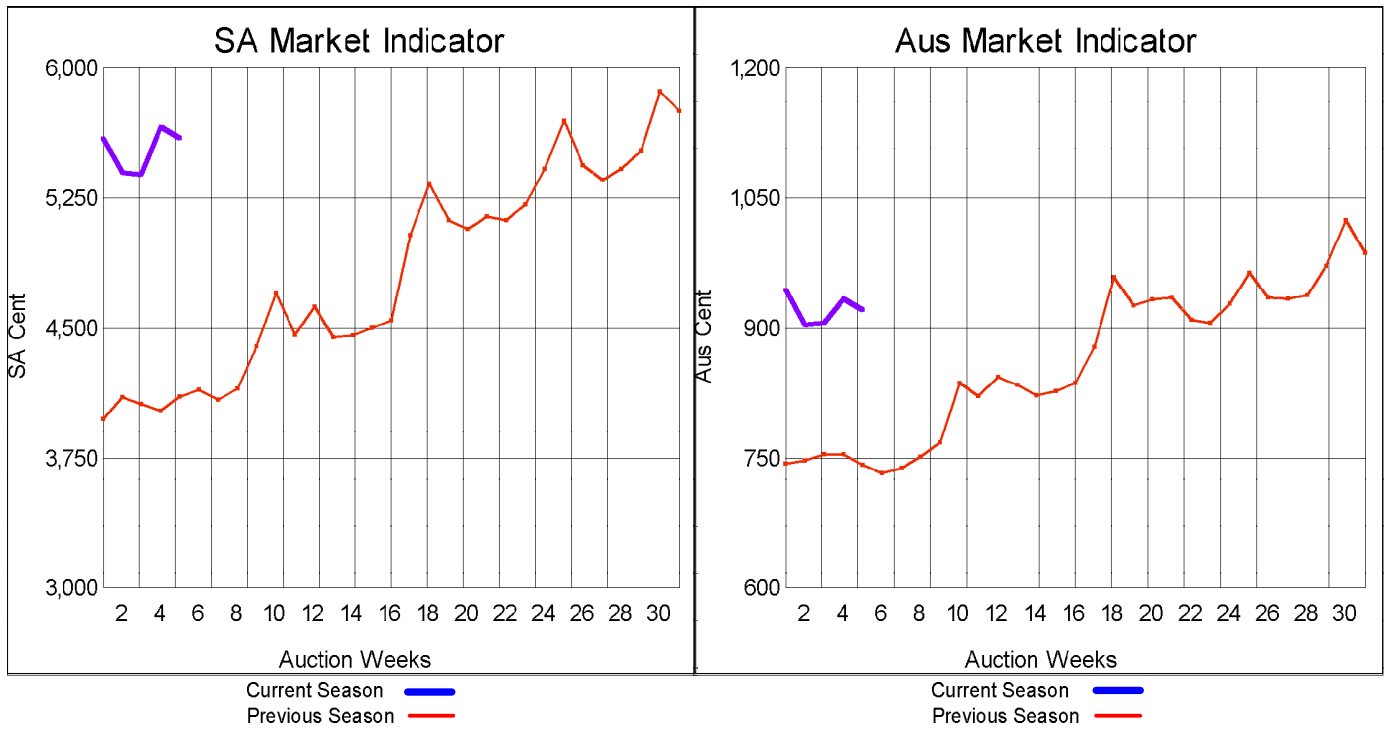
Composition of Fleece Offerings				Analysis of Offerings					
Description	% This Week	% Prev Sale	Description	This Week			Previous Sale		
				%	Bales	% Sold	Bales	% Sold	
Long Wool	72.0	65.2	Merino Fleeces	52.4	4 463	99.3	3 242	99.9	
Medium Wool	23.1	30.7	Merino Bellies	7.0	596	98.5	424	97.2	
Short Wool and Locks	4.9	4.1	Merino Lambs	8.9	757	99.9	643	99.8	
Fine Wool (<20µ)	19.0	19.4	Merino Locks	5.9	504	100.0	350	100.0	
Medium Wool (20 - 22µ)	66.0	64.1	Other	25.8	2 194	93.3	1 491	97.2	
Strong Wool (22 - 24µ)	13.2	14.1	Total	100.0	8 514	97.8	6 150	99.1	
Overstrong (24 - 27µ)	1.7	2.4							
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	5 600	5 666	-1.2						
AWEX EMI	921	934	-1.4	Durban	606	601	99.2	729	719
R/US Dollar	6.9470	7.0653	1.7	Port Elizabeth	7 908	7 725	97.7	5 421	5 373
R/A Dollar	6.0619	6.0259	-0.6	Total	8 514	8 326	97.8	6 150	6 092
R/Euro	9.8120	9.8682	0.6						
Main Buyers				Receipts 21 September 2007					
Buyers	This Week	% of Sale	To Date	Season to Date (Kg)		Last Season (Kg)		% Change	
				9 159 555	8 242 008	11.1			
G Modiano	1 921	23.1	12 074	Next Auction					
Segard Masurel	1 592	19.1	8 494	Name	Date	Offerings (Bales)			
Stucken	1 430	17.2	6 767	S A Wool Exchange	03/10/2007	± 7 500			
Standard Wool SA	1 182	14.2	6 621	Van Lill Wool Buyers	-	-			
Chargeurs Wool	1 067	12.8	6 145	Saunders et al.	-	-			
Beier Fin	462	5.5	2 652	Lanata	-	-			
ADF	354	4.3	2 781	SA Indicator	-	MC05	5 600		
Lempriere (Aus) Ltd	176	2.1	761	Ave SA Indicator - Season to Date			5 530		
New England Wool	142	1.7	443	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				7184	6760															
18.5			6990	7165																
19.0		6716	6739	6707		5943	5730													
19.5		6371	6354	6316		5906	5516													
20.0		6031	6015	5946	5819	5672	5475													
20.5	5817	5781	5784	5755	5682	5601	4965													
21.0		5673	5673	5621	5550	5326	4842													
21.5		5586	5581	5503	5540	5088	4887													
22.0		5489	5477	5468		5129	4920													
22.5		5428	5378	5419	5239	5010														
23.0			5344		5288	5007														
23.5		5328		5171	5213															
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																				
20.0																				
20.5				5699		5605								-1.7						
21.0				5589	5418									0.4	-3.1					
21.5			5462	5556			4398													
22.0			5427	5416		5205								-1.8	-3.2					
22.5		5335		5409	5144	5056													-1.1	
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	6737	6157		5840	5702	
Bellies	6158	5906	5528	6116	5631	5091
Locks		4288		4312	4172	3756
Average Quality						
Lambswool	6354	5860	5663	5661	5239	5118
Bellies		5899	5485	5665	5464	5003
Locks				4208	4110	3761
Inferior Quality						
Fleecewool	5965	5692	5434		5584	
Lambswool						
Bellies	6404	5818		5182	4974	4417
Locks	4217	3708	3645	3863	3825	3592

Industry News

Increase in grease wool exports

Grease wool exports are increasing at the expense of processed product. Figures for 2006/07 show a 20% rise in grease wool shipments to 28,2mkg from 23,4mkg in 2005/06, with total revenue increasing by almost 80% to R856,03-million.

Local processing (scouring, carbonising and combing) slowed down and the output of scoured and carbonised product fell by 29% to 3,23mkg from 4,55mkg the previous season. Exports in terms of value dropped 20% to R103,32-million from R129,61-million.

Shipments of combed product (top and noil) declined marginally to 5,97mkg from 6mkg, but due to the higher wool prices, increased by 28% in value to R298-million from R232-million in 2005/06.