

NATIONAL WOOL MARKET REPORT

Season : 2007/08
 Sale Date: 10-Oct-2007
 Catalogue: MC07



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Market Commentary

Wool prices rose for a second consecutive week in spite of a strong currency and Cape Wools' Merino indicator finished the day up 1,4% at R58,04/kg (clean). This is 3,7% higher than the opening level. The main drivers behind the past two week's price hikes were the relatively small offerings and concerns about future supplies, particularly quality wools. A total of 7 740 bales was offered at this week sale of which 99% was sold. Last week, just under 6 000 bales were offered.

The rand was up 1,2% against the US dollar at R6,80 and 1,5% stronger against the euro at R9,62. Fine Wool buyer New England Wool paid the highest price so far this season of R75/kg (greasy) for one bale of 16,7 microns offered by Adelaide producer Mickey Liddell, while a bale of 16,8 microns, also offered by Mr Liddell, fetched R74,80/kg (greasy).

All long Merino fleece wool categories were 1% to 2% dearer, with 21 microns posting the biggest increase of 2,3%.

Major buyers were Modiano (2 285 bales), Segard Masurel (1 365 bales), Standard Wool SA (1 116 bales), Chargeurs Wool (1 029 bales), and Stucken (1 013 bales).

Average price movements for AWEX-type fleeces MF3, MF4 and MF5 of 70 and 80 mm were as follows: 19 microns were 1,9% dearer at R70,06 /kg; 20 microns were up 1,5% at R63,14 /kg; 21 microns gained 2,3% at R58,99/kg; 22 microns rose 0,9% to R56,46/kg, but there were no quotes for 24 and 25 microns.

Approximately 7 000 bales have been rostered for next week.

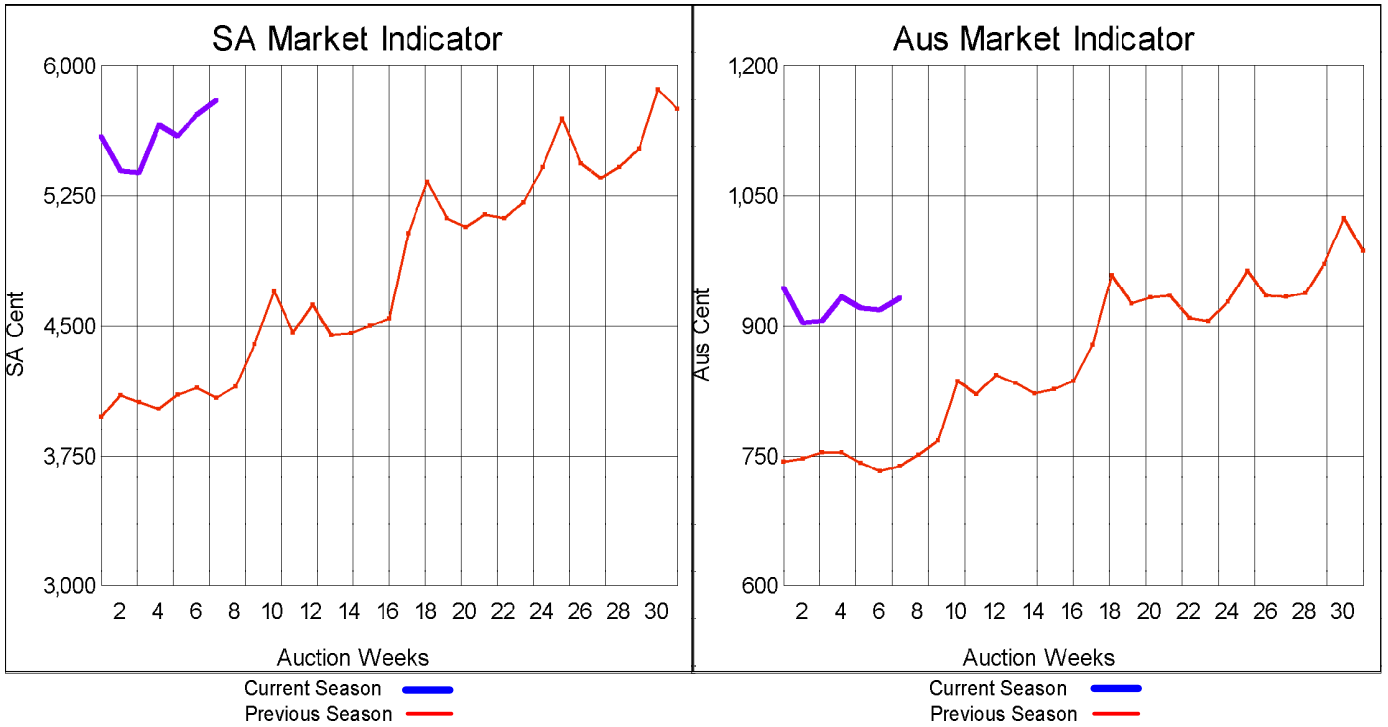
Auction Analysis									
Composition of Fleece Offerings				Analysis of Offerings					
Description	% This Week	% Prev Sale	Description	This Week			Previous Sale		
				%	Bales	% Sold	Bales	% Sold	
Long Wool	71.1	67.3	Merino Fleeces	45.6	3 526	99.7	2 640	99.9	
Medium Wool	23.6	27.4	Merino Bellies	7.0	545	99.4	385	97.7	
Short Wool and Locks	5.3	5.3	Merino Lambs	10.3	800	97.3	450	100.0	
Fine Wool (<20µ)	25.3	20.8	Merino Locks	6.5	506	99.2	340	100.0	
Medium Wool (20 - 22µ)	56.3	61.4	Other	30.5	2 363	99.0	1 922	98.4	
Strong Wool (22 - 24µ)	17.8	15.4	Total	100.0	7 740	99.2	5 737	99.3	
Overstrong (24 - 27µ)	0.6	2.5							
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	5 804	5 726	1.4						
AWEX EMI	932	919	1.4	Durban	1 111	1 101	99.1	1 002	996
R/US Dollar	6.8087	6.8908	1.2	Port Elizabeth	6 629	6 576	99.2	4 735	4 699
R/A Dollar	6.1204	6.1236	0.1	Total	7 740	7 677	99.2	5 737	5 695
R/Euro	9.6200	9.7683	1.5						
Main Buyers				Receipts 05 October 2007					
Buyers	This Week	% of Sale	To Date	Season to Date (Kg)		Last Season (Kg)		% Change	
				12 142 331	11 026 992	10.1			
G Modiano	2 285	29.8	16 328						
Segard Masurel	1 365	17.8	10 516						
Standard Wool SA	1 116	14.5	8 582						
Chargeurs Wool	1 029	13.4	7 950						
Stucken	1 013	13.2	8 553						
Beier Fin	565	7.4	3 529						
ADF	167	2.2	3 239						
Lempriere (Aus) Ltd	74	1.0	872						
New England Wool	63	0.8	637						
Next Auction									
				Name	Date	Offerings (Bales)			
				S A Wool Exchange	17/10/2007	± 7 000			
				Van Lill Wool Buyers	-	-			
				Saunders et al.	-	-			
				Lanata	-	-			
				SA Indicator	-	MC07	5 804		
				Ave SA Indicator - Season to Date			5 597		
				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			7732	7662																0.8					
18.5				7396	7272															0.1	2.1				
19.0		7187	7049	6964	6766															1.3	1.2				
19.5		6778	6678	6647	6596															5.1	0.6	3.9	2.5		
20.0		6336	6324	6304	6065	6049														4.2	0.4	2.6	-0.3	2.9	
20.5		6016	5980	5998	5749	5698	5557													0.8	1.5	2.5	0.3	0.8	
21.0		5871	5917	5881	5773	5594	5227													1.3	2.1	2.3	1.3	4.6	2.4
21.5		5722	5758	5751	5649	5214														0.2	1.5	1.7	2.4		
22.0		5645	5640	5651	5513	5478														0.8	0.4	1.4	0.6	6.4	
22.5		5611	5573	5547	5483	5315														1.6			1.0		
23.0		5501	5477	5562																		1.2	2.5		
23.5		5438	5396	5362																0.8	0.7	3.6			
24.0																									

* 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			5945	5875	5855	5762								1.2						
21.0		5815	5864	5868	5810									3.9	4.8					
21.5			5741	5674	5613	5241								1.4	0.1	2.1	1.1			
22.0			5669	5567	5459	5231								2.3	1.1		-1.6			
22.5			5437			5301								-0.3						
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
<u>Good Quality</u>						
Lambswool	7061	6254	5891	6156	5793	5589
Bellies	6541	5871	5845	6357	5937	5774
Locks		4372		4050	4156	4019
<u>Average Quality</u>						
Lambswool	6822	5956	5722	6170	5516	5334
Bellies	6512	5934	5620	6247	5879	5364
Locks	4450	4094	4026	4449	4036	3711
<u>Inferior Quality</u>						
Fleecewool	6224		5519		5671	
Lambswool		5462		6724	5695	
Bellies	6406	5629	5274	6080	5443	4765
Locks	3797	3849	3891	3999	3856	3761

Industry News

Production increases in 2006/07

Figures just released by Cape Wools show a 2% increase in total receipts for the 2006/07 season to an estimated 46,8 million kg.

This is the first notable increase since 2003/2004 when production rose by 5%. The increase is attributed to good growing conditions, particularly in the first half of the season.

Recorded gross value of sales for the season came to R1 123,94-million, which was 66% higher than the R678,25-million recorded for the previous season.

The Eastern Cape retained its position as the top wool producing province (14,15mkg), followed by the Free State 10,27mkg), Western Cape (8,29mkg), Northern Cape (5,53mkg) and Mpumalanga (3,35mkg).