

NATIONAL WOOL MARKET REPORT

Season : 2007/08
 Sale Date: 24-Oct-2007
 Catalogue: MC09



CAPE WOOLS SA

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AWEX-ID under licence from Australian Wool Exchange

A strong currency and a downward correction after last week's surge in prices resulted in Cape Wools' Merino indicator shedding 4,1% to close at R59,80/kg (clean).

At around R6,66 against the US dollar, the rand was trading at its highest levels in about 14 months, exerting downward pressure on prices.

A correction was expected following the sharp rise in prices, which saw the indicator gaining 11% in the first three weeks of October. Despite this correction, buyers remain confident that overall demand remains strong.

As a result of the lower price levels, more wool was declared not sold. A total of 9 214 bales were offered, of which 94% was sold, compared with a sales percentage of around 99% achieved over the past few weeks.

All long Merino fleece wool categories shed between 3% to 5% on average. Major buyers were Chargeurs Wool (2 108 bales), Modiano (1 998 bales), Segard Masurel (1 450 bales), Stucken (1 032 bales), and Standard Wool SA (825 bales).

Average price movements for AWEX-type fleeces, MF4 and MF5 of 70 and 80 mm were as follows: 19 microns dropped 4% to R72,63/kg; 20 microns were down 3,1% at R65,36/kg; 21 microns were 4% cheaper at R60,37/kg; 22 microns dropped 5% to R58,32/kg; and 23 microns were 3,8% cheaper at R56,27/kg. There were no quotes for 24 and 25 microns.

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

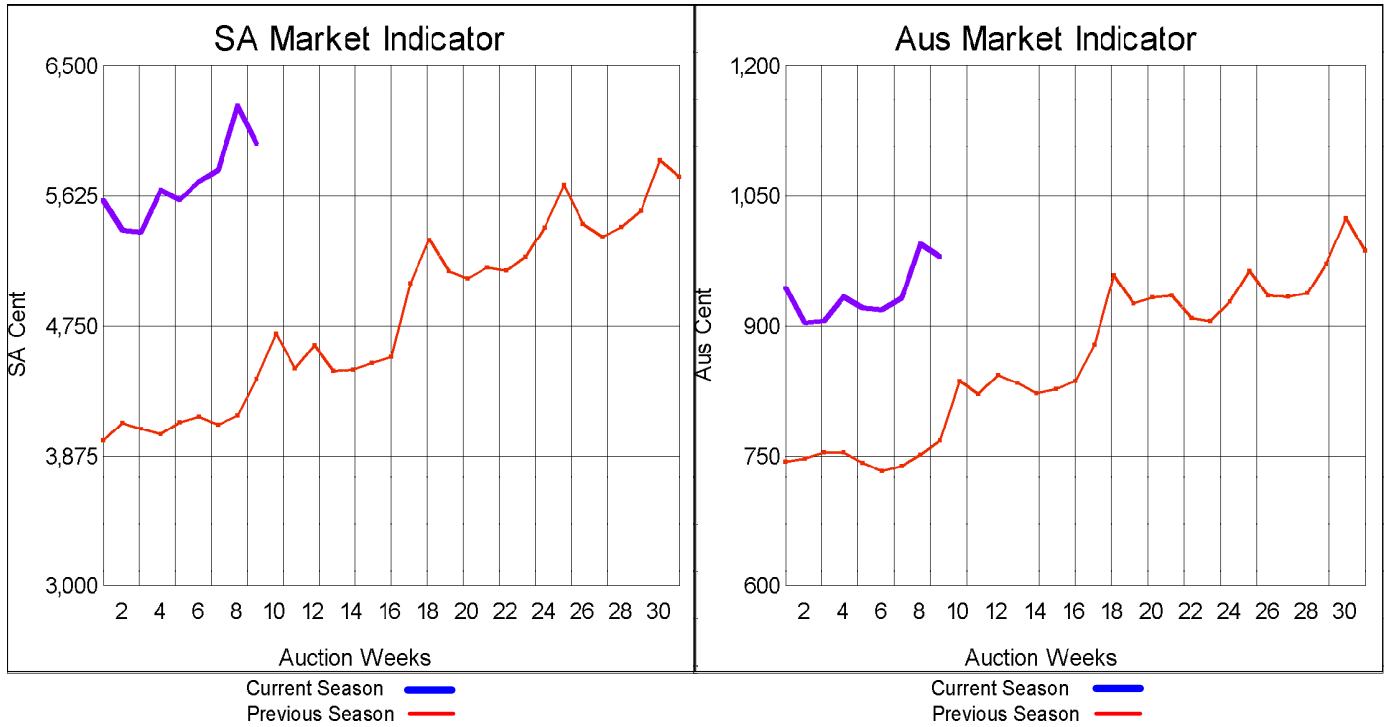
Auction Analysis									
Composition of Fleece Offerings				Analysis of Offerings					
Description	% This Week	% Prev Sale	Description	This Week			Previous Sale		
				%	Bales	% Sold	Bales	% Sold	
Long Wool	65.6	73.5	Merino Fleeces	48.3	4 450	94.2	2 882	99.6	
Medium Wool	24.5	18.9	Merino Bellies	7.1	658	92.9	425	100.0	
Short Wool and Locks	9.9	7.6	Merino Lambs	8.4	771	92.7	531	98.1	
Fine Wool (<20µ)	22.2	21.4	Merino Locks	6.0	549	99.6	411	100.0	
Medium Wool (20 - 22µ)	66.1	68.0	Other	30.2	2 786	93.4	1 931	96.7	
Strong Wool (22 - 24µ)	11.1	10.0	Total	100.0	9 214	94.1	6 180	98.6	
Overstrong (24 - 27µ)	0.6	0.6							
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	5 980	6 235	-4.1						
AWEX EMI	980	995	-1.5	Durban	1 535	1 383	90.1	946	901
R/US Dollar	6.6664	6.8038	2.0	Port Elizabeth	7 679	7 283	94.8	5 234	5 195
R/A Dollar	5.9835	6.0359	0.9	Total	9 214	8 666	94.1	6 180	6 096
R/Euro	9.4846	9.6443	1.7						
				Receipts 19 October 2007					
Main Buyers				Season to Date (Kg)		Last Season (Kg)		% Change	
Buyers	This Week	% of Sale	To Date	14 631 959		13 823 474		5.8	
Chargeurs Wool	2 108	24.3	11 171	Next Auction					
G Modiano	1 998	23.1	19 913	Name	Date	Offerings (Bales)			
Segard Masurel	1 450	16.7	12 670	S A Wool Exchange	31/10/2007	± 9 000			
Stucken	1 032	11.9	10 304	Van Lill Wool Buyers	-	-			
Standard Wool SA	825	9.5	10 818	Saunders et al.	-	-			
Beier Fin	569	6.6	4 475	Lanata	-	-			
ADF	534	6.2	3 835	SA Indicator	-	MC09		5 980	
Lempriere (Aus) Ltd	78	0.9	1 057	Ave SA Indicator - Season to Date				5 710	
New England Wool	72	0.8	799	Ave SA Indicator - Previous Season				4 818	

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Fleece Wool Prices (Spinners and Good Topmaking Styles, AWEX Types 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			8777											-1.3							
18.5			7777	7527	7476	6413								-2.4	-6.5						
19.0			7266	7260			6305							-4.8	-3.5						
19.5		7104	7079	6931	6849	6709								-2.2	-1.8	-3.3	-0.7				
20.0		6725	6590	6481	6348	6126	5594	5468						-0.7	-2.3	-4.1	-2.3	-4.4	-4.7		
20.5		6194	6234	6186	6048	5941	5601							-4.2	-3.6	-3.6	-4.7	-2.2	-0.8		
21.0	6098	6070	6065	6009	5889	5802	5537							-4.3	-4.3	-4.2		-4.2			
21.5		6007	5962	5927	5817	5617	5386							-3.7	-4.4	-4.1	-4.7				
22.0		5882	5887	5778	5711	5602								-4.7	-4.5	-6.0	-5.3	-1.3			
22.5			5740	5708		5455	5224							-4.4	-5.0						
23.0			5627		5422	5426								-4.0							
23.5			5439																		
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					6778															-1.7
20.0				6472			6187													
20.5				6116	6106		5855													-4.7
21.0				6032	5890	5755	5769	5086												-6.6 -5.1
21.5		5868	5832	5793	5742	5710														-5.0 -5.6
22.0				5694	5658															-3.8
22.5				5690	5587															
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	7163	6716	6036	6179	5778	5521
Bellies	6579	6180	5793	6535	5824	5614
Locks	5168		4535	4861	4165	4143
Average Quality						
Lambswool	6935	6433	5758	6091	5368	5693
Bellies	6865	6160	5605	6037	5552	5202
Locks		4335		4528	4409	4024
Inferior Quality						
Fleecewool	6716	6210	5714			
Lambswool	7137	6001	6001	6794	5003	
Bellies	6076	6029	5347	5173	5289	4651
Locks		4210	4202	4473	4187	3814

Industry News

Rand strengthens to 14-month high

The rand has been on a roller-coaster ride over the past few weeks. At the opening sale of the season, it was trading at R7,30 against the US dollar, after which it gradually strengthened to around the R7 level.

This morning, the local wool trade saw the currency trading at its strongest level against the dollar in almost 14 months at R6, 66.

Currency traders ascribe it to the weaker dollar, while locally it has also been buoyed by rumours surrounding a major bank's announcement yesterday that it was in negotiations that could affect its share price, fuelling speculation of an influx of foreign exchange from an overseas buyer.