

NATIONAL WOOL MARKET REPORT

Season : 2008/09
 Sale Date: 10-Sep-2008
 Catalogue: ME03



CAPE WOOLS SA

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AWEX-ID under licence from Australian Wool Exchange

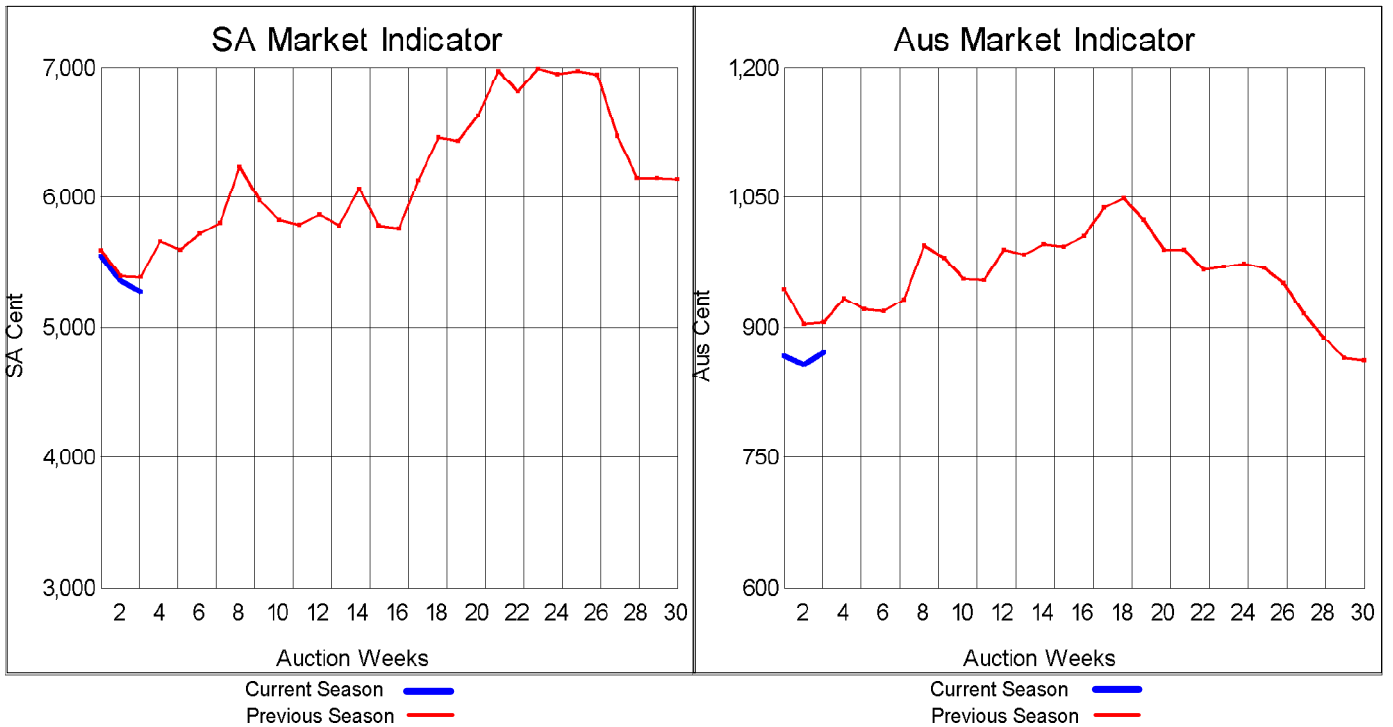
Market Commentary									
MARKET SLIGHTLY SOFTER									
<p>With business conditions unchanged since last week, the market remained under pressure and Cape Wools' Merino indicator fell 1,5% to finish the day at R52,77/kg (clean).</p> <p>Buyers say it is extremely difficult to sell at present as clients are waiting for greater stability in world markets. The rand, which was 2,1% weaker against the US dollar compared with last week, also failed to support the market. It had gained 0,6% against the Australian dollar, which made local wool slightly dearer for international buyers.</p> <p>Prices were down 1% to 3% across all micron categories. Fine-wool buyer New England Wool, however, defied the downward trend by paying the top price of R72,10/kg (greasy) for three bales of 17,1 microns offered by Mr. Douglas Bennett from Adelaide.</p> <p>The total offering comprised 8 779 bales of which 88% was sold. Major buyers were Modiano (3 145 bales); Standard Wool SA (1 454 bales); Segard Masurel (1 308 bales and Stucken (843 bales).</p> <p>Average price movements for AWEX-type fleeces MF4 and MF5 of 70 and 80 mm were as follows: 19 microns weakened 2,9% at R67,65/kg, 20 microns were down 0,4% at R57,44/kg; 21 microns dropped 3,1% at R53,08/kg; 22 microns shed 1,6% at R51,83/kg, 23 microns were down 3,2% at R50,05/kg, but there were no quotes for 24 and 25 microns due to insufficient quantities in these categories.</p> <p>Next week will be a relatively small sale with only 6 500 bales on offer.</p>									
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	65.9	61.5	Merino Fleeces	56.6	4 970	93.0	5 655	89.1	
Medium Wool	28.7	30.9	Merino Bellies	7.2	633	91.0	730	95.1	
Short Wool and Locks	5.4	7.6	Merino Lambs	8.8	776	88.7	992	89.0	
Fine Wool (<20µ)	20.4	19.2	Merino Locks	5.3	467	82.7	761	87.3	
Medium Wool (20 - 22µ)	65.8	61.0	Other	22.0	1 933	76.0	1 924	77.4	
Strong Wool (22 - 24µ)	13.1	18.0	Total	100.0	8 779	88.2	10 062	87.1	
Overstrong (24 - 27µ)	0.7	1.7							
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	5 277	5 358	-1.5						
AWEX EMI	871	857	1.6	Durban	848	626	73.8	886	467
R/US Dollar	7.9975	7.8298	-2.1	Port Elizabeth	7 931	7 115	89.7	9 176	8 301
R/A Dollar	6.4434	6.4825	0.6	Total	8 779	7 741	88.2	10 062	8 768
R/Euro	11.3015	11.2967	0.0						
Receipts 05 September 2008									
Main Buyers				Season to Date (Kg)	Last Season (Kg)	% Change			
Buyers	This Week	% of Sale	To Date	6 536 582	6 907 909	-5.4			
G Modiano	3 145	40.6	8 720	Next Auction					
Standard Wool SA	1 454	18.8	4 663	Name	Date	Offerings (Bales)			
Segard Masurel	1 308	17.0	4 416	S A Wool Exchange	17/09/2008	± 6500			
Stucken	843	10.9	4 540	Van Lill Wool Buyers	-	-			
Chargeurs Wool	475	6.1	2 345	Saunders et al.	-	-			
Lempriere (Aus) Ltd	379	4.9	1 752	Lanata	-	-			
ADF	78	1.0	608	SA Indicator	-	ME03	5 277		
New England Wool	58	0.7	161	Ave SA Indicator - Season to Date			5 395		
				Ave SA Indicator - Previous Season			6 151		

Cape Wools SA

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																				
18.5				7180	6889										-8.7					
19.0			6752	6778	6525		5445								-2.9	-1.9		4.5		
19.5		6276	6331	6198	6033	5455	5127							1.2		-0.5	-2.0			
20.0		5789	5747	5741	5548	5317	4702							-2.1	-0.5	-0.4	-2.7	0.3	4.0	
20.5		5458	5504	5463	5363	5091	4655							-3.0	-2.2	-1.5	-1.4	0.3	1.0	
21.0		5371	5356	5261	5163	5018	4573							-2.6	-2.6	-3.8	-1.9	2.0	-3.6	
21.5		5255	5251	5226	5055	4957	4701							-1.6	-2.7	-0.8	-1.9	-1.2		
22.0		5174	5202	5164	5074	4841								-2.8	-2.2	-1.0	-1.0	-2.1		
22.5		5107	5079	5053	4966									-3.3	-3.3	-2.8	-2.6			
23.0			5065	4945											-2.8	-3.9				
23.5			5074	5010											1.1	-1.9				
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				6131																
20.0				5572	5393															
20.5			5441	5273										0.3						
21.0			5278	5298										-2.5	-1.0					
21.5				5026																-2.9
22.0			5132	5054																
22.5																				
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	6812	5909	5175	5835	4898	5117
Bellies		5736			5355	4770
Locks		2236		3081	2410	1789
Average Quality						
Lambswool	6640	5897	5285	5932	5362	5006
Bellies	5814	5263	5065	5060	4793	4499
Locks		3303		2294	2158	2091
Inferior Quality						
Fleecewool		5056	4844			
Lambswool		5486				
Bellies	4875	5063	4533	4512	4202	3996
Locks				2128	1755	1906

Industry News

Clip getting finer

An analysis of the 2007/08 clip profile shows a shift towards the finer end of the market with 30% of clip testing finer than 20 microns compared with 28% the previous season.

The bulk of the clip (about 51%) still falls in the medium-fine category (20 microns to 22 microns).

A break-down of the fleece wools shows that 44% qualified for good top-making types, while 52% was at least 70 mm in length.

A higher portion of the clip - 25% - was relatively free of vegetable matter (0,5% or less) compared with 18% the previous season, which could be attributed to the good climatic conditions experienced in most parts of the country.