

## NATIONAL WOOL MARKET REPORT

Season : **2007/08**  
 Sale Date: **21-Nov-2007**  
 Catalogue: **MC13**



CAPE WOOLS SA

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*AWEX-ID under licence from Australian Wool Exchange*

The market put up a lacklustre performance at this week's sale and Cape Wools' Merino indicator dropped 1,4% to close the day at R57,88/kg (clean).

Although the better styled clips still fetched good prices, the average to inferior styles failed to attract much attention and had to contend with much lower prices amid reports of resistance against current price levels from the spinning and weaving sectors.

The weaker rand also failed to support the market. The rand was 1,9% down against the US dollar compared with last week, following a volatile week. It was 2,9% weaker against the euro.

The biggest drop was recorded in the 19-micron range, which softened by nearly 4%, while 20 and 22 microns were almost 2% cheaper.

A total of 10 444 bales was offered of which 96% changed hands. Major buyers were Modiano (2 753 bales), Standard Wool SA (2 140 bales), Segard Masurel (1 537 bales), Stucken (1 461 bales); and Chargeurs Wool (1 038 bales).

Average price movements for AWEX-type fleeces, MF4 and MF5 of 70 and 80 mm were as follows: 19 microns fell 3,7% to R69,61/kg; 20 microns were down 1,8% at R63,48/kg; 21 microns were 1,7% cheaper at R58,63/kg; and 22 microns were unchanged at R56,29 /kg. There were insufficient quantities in these types to quote for 23, 24 and 25 microns.

Approximately 9 500 bales will come under the hammer at next week's sale.

### Auction Analysis

<i>Composition of Fleece Offerings</i>				<i>Analysis of Offerings</i>					
Description	% This Week	% Prev Sale	Description	This Week			Previous Sale		
				%	Bales	% Sold	Bales	% Sold	
Long Wool	71.3	73.4	Merino Fleeces	42.2	4 407	98.8	3 912	98.1	
Medium Wool	23.9	20.5	Merino Bellies	6.6	687	96.8	559	98.6	
Short Wool and Locks	4.9	6.1	Merino Lambs	9.5	990	95.2	885	96.9	
Fine Wool (<20µ)	19.2	26.1	Merino Locks	6.1	634	100.0	554	100.0	
Medium Wool (20 - 22µ)	64.2	63.7	Other	35.7	3 726	91.1	3 205	94.9	
Strong Wool (22 - 24µ)	15.5	10.0	<b>Total</b>	<b>100.0</b>	<b>10 444</b>	<b>95.7</b>	<b>9 115</b>	<b>97.0</b>	
Overstrong (24 - 27µ)	1.1	0.2							
<i>Other Indicators</i>				<i>Offerings per Port</i>					
Indicators	This Week	Prev Sale	% Change	Ports	This Week (Bales)			Prev Sale (Bales)	
					Offered	Sold	% Sold	Offered	Sold
<b>SA Indicator</b>	<b>5 788</b>	<b>5 872</b>	<b>-1.4</b>						
AWEX EMI	984	990	-0.6	Durban	1 975	1 794	90.8	2 028	1 924
R/US Dollar	6.7601	6.6332	-1.9	Port Elizabeth	8 469	8 197	96.8	7 087	6 916
R/A Dollar	5.9286	5.9979	1.2	<b>Total</b>	<b>10 444</b>	<b>9 991</b>	<b>95.7</b>	<b>9 115</b>	<b>8 840</b>
R/Euro	10.0060	9.7276	-2.9						
<i>Main Buyers</i>				<i>Receipts 16 November 2007</i>					
Buyers	This Week	% of Sale	To Date	Season to Date (Kg)		Last Season (Kg)		% Change	
				20 787 975	20 145 615	3.2			
G Modiano	2 753	27.6	<b>28 837</b>	<i>Next Auction</i>					
Standard Wool SA	2 140	21.4	<b>16 968</b>	Name	Date	Offerings (Bales)			
Segard Masurel	1 537	15.4	<b>19 147</b>	S A Wool Exchange	28/11/2007	± 9 500			
Stucken	1 461	14.6	<b>16 049</b>	Van Lill Wool Buyers	-	-			
Chargeurs Wool	1 038	10.4	<b>15 602</b>	Saunders et al.	-	-			
Beier Fin	568	5.7	<b>6 522</b>	Lanata	-	-			
Lempriere (Aus) Ltd	240	2.4	<b>2 284</b>	<b>SA Indicator</b>	-	<b>MC13</b>	<b>5 788</b>		
ADF	192	1.9	<b>4 765</b>	<b>Ave SA Indicator - Season to Date</b>			<b>5 744</b>		
New England Wool	62	0.6	<b>1 214</b>	<b>Ave SA Indicator - Previous Season</b>			<b>4 818</b>		



## 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							4449													
19.5			6593	6589										-0.3						
20.0			6159											-2.0						
20.5			5994	5901										0.8	-2.7					
21.0			5697	5700		5439								-2.4	-1.5	1.9				
21.5			5582	5448										-2.5	-4.4					
22.0			5537	5488										-0.7	-0.4					
22.5			5499	5304										1.0	-5.5					
23.0		5409																		
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	7127	6428	6027	5798	5655	4957
Bellies		5726	5391	6270	5577	5156
Locks	6149	5242		5072	4305	3857
<b>Average Quality</b>						
Lambswool	6600	6261	5645	5671	5361	4930
Bellies	6524	6006	5507	5351	5160	4963
Locks			3904	5060	4260	3770
<b>Inferior Quality</b>						
Fleecewool		5667	5624			
Lambswool	6300	6333			4139	
Bellies	5747	5644	4684	5164	4834	5079
Locks		3877	3947		3684	3673

#### Industry News

##### Increase in exports to China, India

Export figures for July to September show a 173% increase in the volume of wool shipped to China, the largest importer of South African wool, compared with the corresponding period last season.

But the country which showed the biggest increase in terms of the volume of wool imported was India, which soared by a massive 235%. Other countries importing higher volumes were the Czech Republic (up 59%), Mauritius (up 38%) and South Korea (up 22%).

Shipments to Italy, the second largest importer of South African wool, dropped by 29% in volume. Exports to Germany, which last season was among the top five export destinations, decreased by 49% during this period.