

NATIONAL WOOL MARKET REPORT

Season : 2007/08
 Sale Date: 5-Dec-2007
 Catalogue: MC15



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AWEX-ID under licence from Australian Wool Exchange

After last week's jump of almost 5%, this week saw prices retracting with Cape Wools' Merino indicator softening 4,6% to close at R57,86/kg (clean).

The stronger currency contributed to the decline, but a downward adjustment was expected after last week's considerable price hike. A softening of Australian prices also contributed to the downward adjustment.

At R6,78 against the US dollar, the rand strengthened with 2,6% compared with the previous sale. It also gained 2,8% against the euro, trading at R9,99.

Long wool Merino fleeces were between 2% to 5% cheaper on average, but the better styles fetched price premiums relative to average price levels and were in keen demand.

The overall sales percentage was lower than last week as prices fell short of some producers' reserves and 92% of 10 151 bales on offer was sold. Major buyers were Modiano (2 197 bales), Chargeurs Wool (1 956 bales); Stucken (1 610 bales); Standard Wool SA (1 299 bales); and Segard Masurel (1 240 bales).

Average price movements for AWEX-type fleeces, MF4 and MF5 of 70 and 80 mm were as follows: there were no quotes for 19 microns; 20 microns weakened 4,7% at R63,96/kg; 21 microns were 2,8% cheaper at R59,22/kg; 22 microns were down 3,5% at R56,95/kg; and 23 microns dropped 2,2% at R55,58/kg. There were no quotes for 24 and 25 microns.

Approximately 11 500 bales will be offered at next week's sale, which is the final sale before the Christmas recess.

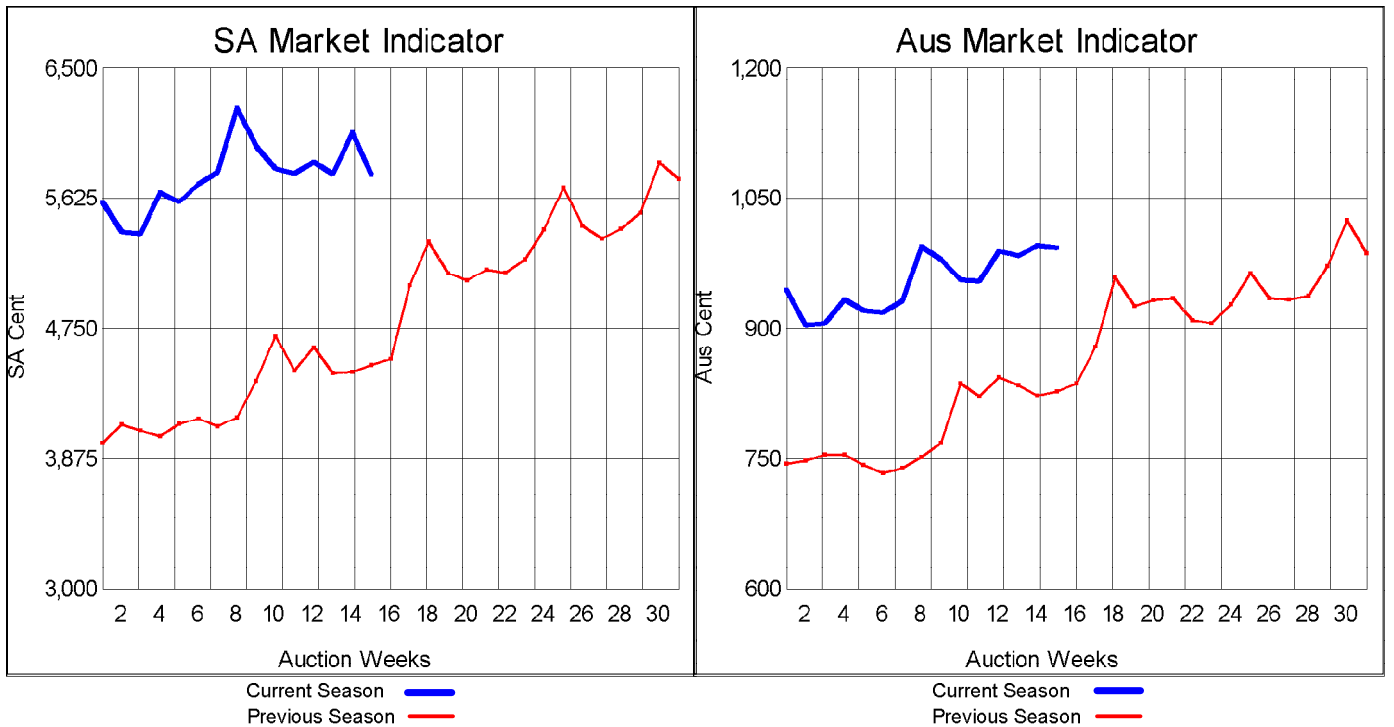
Auction Analysis										
Composition of Fleece Offerings				Analysis of Offerings						
Description	% This Week	% Prev Sale	Description	This Week			Previous Sale			
				%	Bales	% Sold	Bales	% Sold		
Long Wool	58.0	70.0	Merino Fleeces	39.7	4 031	93.2	3 780	99.7		
Medium Wool	33.8	26.7	Merino Bellies	6.3	636	92.6	513	97.5		
Short Wool and Locks	8.3	3.3	Merino Lambs	7.5	762	90.4	732	97.4		
Fine Wool (<20µ)	21.8	22.9	Merino Locks	5.9	597	89.1	263	99.2		
Medium Wool (20 - 22µ)	63.9	66.5	Other	40.6	4 125	91.4	3 765	94.8		
Strong Wool (22 - 24µ)	13.6	10.1	Total	100.0	10 151	92.0	9 053	97.3		
Overstrong (24 - 27µ)	0.8	0.5								
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	5 786	6 068	-4.6							
AWEX EMI	993	996	-0.3	Durban	2 390	2 182	91.3	2 441	2 387	
R/US Dollar	6.7836	6.9620	2.6	Port Elizabeth	7 761	7 157	92.2	6 612	6 423	
R/A Dollar	5.9007	6.0984	3.2	Total	10 151	9 339	92.0	9 053	8 810	
R/Euro	9.9898	10.2753	2.8							
Receipts 30 November 2007										
Main Buyers				Season to Date (Kg)	Last Season (Kg)			% Change		
Buyers	This Week	% of Sale	To Date	24 229 612	22 920 195			5.7		
G Modiano	2 197	23.5	33 354	Next Auction						
Chargeurs Wool	1 956	20.9	18 942	Name	Date	Offerings (Bales)				
Stucken	1 610	17.2	18 549	S A Wool Exchange	12/12/2007	± 11 500				
Standard Wool SA	1 299	13.9	19 913	Van Lill Wool Buyers	-	-				
Segard Masurel	1 240	13.3	21 321	Saunders et al.	-	-				
Beier Fin	423	4.5	7 429	Lanata	-	-				
ADF	328	3.5	6 279	SA Indicator	-	MC15			5 786	
Lempriere (Aus) Ltd	207	2.2	2 606	Ave SA Indicator - Season to Date						5 768
New England Wool	79	0.8	1 384	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			7833	7745	7407		5861													-12.4						
18.5			7849	7311	6687																-6.2	-5.2				
19.0			7570				6713														0.4					
19.5	7044	6937	6954	6595	6339																-4.8	-3.6	-3.5	-8.4	0.8	
20.0	6365	6399	6392	6316	5926	5386															-5.2	-6.7	-3.2	-0.0	-2.1	
20.5	6284	6120	5948	5889	5757	5036															-2.2	-2.9	-5.6	-5.8	-4.8	
21.0	6049	5942	5902	5763	5450	5047															-1.5	-2.9	-3.0	-4.7	-2.7	-3.8
21.5	5765	5773	5781	5717	5539	4987															-3.7	-4.9	-3.0	-2.4	-1.6	-9.2
22.0	5620	5721	5669	5492	5299	4946															-4.6	-2.7	-4.6	-6.1	-5.6	
22.5	5406	5570	5460		5289																-7.6	-5.2	-3.6		-3.2	
23.0			5558	5419	5073																					
23.5																										
24.0			5217																							

* 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					6318		5467													
20.0				6052	5994									-3.3						
20.5				5950		5692								-2.0						
21.0			5767	5734	5486	5463								-2.9	-1.2	-6.7				
21.5			5698	5546	5574	5054								-2.6	-6.9		-13.5			
22.0			5446	5428	5255	5253										-7.5				
22.5			5371	5268																
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	7079	6484	5704	5958	5649	5576
Bellies	6687	5927	5554	5843	5568	5171
Locks		4857		4821	4131	3566
Average Quality						
Lambswool	6822	6248	5370	5509	5079	5004
Bellies	6431	5702	5302	6083	5576	4673
Locks		4321		3933	3487	3642
Inferior Quality						
Fleecewool	6395	5700	5388		6055	4338
Lambswool		5882		6098	5260	
Bellies		5904	5174	5171	5019	4586
Locks		3655	3488	4781	3730	3507

Industry News

Increase in wool receipts

Receipts into wool brokers' stores to date are up 5,7% compared with the corresponding time last season.

This has not yet been reflected in the number of bales offered at auction, which shows a marginal 0,5% increase to 120 172 bales from 119 729 bales last season. The number of Merino bales offered declined by 2,6% while there was a 11% increase in the number of bales containing other white wool.

High auction prices pushed up the total value of the clip sold to R581 million compared with R426 million last season. The average clean price to date has also increased by 36% to R53,56/kg from R39,34/kg.