

NATIONAL WOOL MARKET REPORT

Season : **2007/08**
 Sale Date: **6-Feb-2008**
 Catalogue: **MC20**



CAPE WOOLS SA

Tel: 27-41-4844301
 Fax: 27-41-4846792
 E-mail: stats@capewools.co.za
 Website: www.capewools.co.za

AWEX-ID under licence from Australian Wool Exchange

WEAK RAND BOOSTS PRICES

The sharp depreciation of the rand played a major role in pushing Cape Wools' Merino indicator to a fresh seasonal high of R66,35/kg (clean). This is up 3,1% on last week and up 18,6% on the opening level.

The rand fell to its lowest level against the US dollar in six months. The rand was trading at R7,64 against the dollar, which was down 6,4% on last week, and at R11,16 against the euro (-5,2%).

In Australia, the market pulled back 3,3% on last week, confirming the significant support provided by the cheaper rand in South Africa this week.

The finer end of the market posted the biggest increases with 19 microns and 20 microns gaining 4% to 5%.

Purchases were spread quite evenly among processors and grease wool exporters. This week also saw a smaller offering of 7 392 bales, which was almost 2 000 bales less than the previous week, and a sales percentage of 99% was achieved.

Major buyers were Standard Wool SA (1 881 bales); Modiano (989 bales); Chargeurs Wool (962 bales); Lempriere (Aus) Ltd (943 bales); Stucken (685 bales), ADF (678 bales), and Segard Masurel (601 bales).

Average price movements for AWEX-type fleeces, MF4 and MF5 of 70 and 80 mm were as follows: 19 microns gained 4,4% at R87,83/kg; 20 microns were up 5,4% at R76,85/kg; 21 microns were 1,6% dearer at R68,19/kg; 22 microns rose 5,4% at R65,70/kg, but there no quotes for 23, 24 and 25 microns due to insufficient quantities in these categories.

Next week, approximately 9 000 bales will come under the hammer.

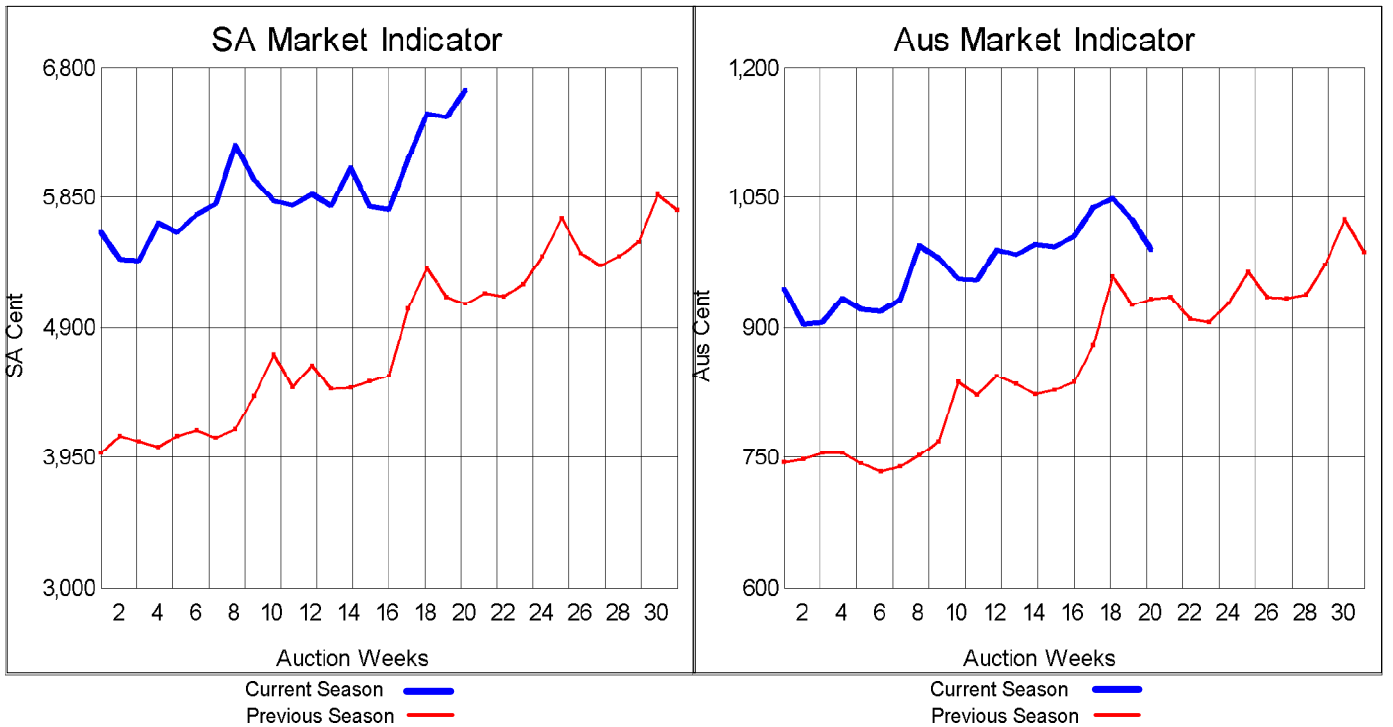
Auction Analysis										
Composition of Fleece Offerings				Analysis of Offerings						
Description	% This Week	% Prev Sale	Description	This Week			Previous Sale			
				%	Bales	% Sold	Bales	% Sold		
Long Wool	64.7	64.1	Merino Fleeces	29.3	2 169	99.4	3 172	97.2		
Medium Wool	26.9	30.8	Merino Bellies	6.0	442	98.9	512	95.1		
Short Wool and Locks	8.4	5.1	Merino Lambs	6.3	468	98.9	550	98.5		
Fine Wool (<20µ)	36.7	28.5	Merino Locks	6.4	470	98.3	694	83.7		
Medium Wool (20 - 22µ)	56.8	60.7	Other	52.0	3 843	98.5	4 330	97.1		
Strong Wool (22 - 24µ)	6.5	10.7	Total	100.0	7 392	98.8	9 258	96.1		
Overstrong (24 - 27µ)	0.0	0.1								
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	6 635	6 436	3.1							
AWEX EMI	990	1024	-3.3	Durban	2 749	2 726	99.2	3 676	3 647	
R/US Dollar	7.6366	7.1750	-6.4	Port Elizabeth	4 643	4 577	98.6	5 582	5 249	
R/A Dollar	6.8300	6.3691	-7.2	Total	7 392	7 303	98.8	9 258	8 896	
R/Euro	11.1630	10.6072	-5.2							
Receipts 01 February 2008										
Main Buyers				Season to Date (Kg)		Last Season (Kg)		% Change		
Buyers	This Week	% of Sale	To Date	32 799 512		32 361 659		1.4		
Standard Wool SA	1 881	25.4	30 252	Next Auction						
G Modiano	989	13.5	43 353	Name	Date	Offerings (Bales)				
Chargeurs Wool	962	13.2	27 529	S A Wool Exchange	13/02/2008	± 9 000				
Lempriere (Aus) Ltd	943	12.9	6 676	Van Lill Wool Buyers	-	-				
Stucken	685	9.4	24 628	Saunders et al.	-	-				
ADF	678	9.3	10 344	Lanata	-	-				
Segard Masurel	601	8.2	26 985	SA Indicator	-	MC20		6 635		
Beier Fin	506	6.8	11 090	Ave SA Indicator - Season to Date						5 898
New England Wool	88	1.2	1 594	Ave SA Indicator - Previous Season						4 818

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		9177	9688	9067		7968									4.4					7.8
18.5				8946																5.1
19.0		8701	8787	8779												3.9	4.6			
19.5		8377	8551	8510	8479	7221	6345								2.4		5.1	8.1	5.3	
20.0		7978	7604	7765	7072	6790	5755								9.2	1.3	8.9	5.9	7.7	1.8
20.5		7106	7243	7019	7003		5701								2.0	4.8	2.7	9.7		
21.0		6745	6915	6723	6505	6167									0.2	2.2	1.0	4.9	3.6	
21.5		6802	6754	6761		6009									3.2	2.7	2.9		3.8	
22.0			6690	6450		5762										5.1	5.1		5.0	
22.5		6356				5577									2.0				1.1	
23.0																				
23.5																				
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					7290															
20.5																				
21.0					6489															
21.5					6624														8.1	
22.0																				
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	8459	7887		6636	5889	
Bellies	7533	7129	6433	7115	6247	5683
Locks		3428		4928	3899	3596
Average Quality						
Lambswool	8065	8359		6399	5824	6039
Bellies	7663	6447	6036	6597	5743	5508
Locks		3642	5028	5854	3730	3302
Inferior Quality						
Fleecewool	7527	6584	6227		5652	6225
Lambswool		7091				
Bellies				5610	5845	4576
Locks		4013	3124	3430	3121	3007

Industry News

Volatile rand slips to a new low

Negative sentiment towards SA, fuelled by electricity shortages and growing concerns about the the current account deficit, continued to weigh heavily on the rand, pushing the currency down to a new five-and-a-half-month low.

The unit has this year depreciated by about 9% against a trade-weighted basket of currencies that are monitored by the Reserve Bank.

Analysts predict further losses amid mounting concerns about the effect of the power cuts on growth and investment, and possible policy changes after the shift in the leadership of the African National Congress. The rand could go to R8 to the US dollar over the next few months.