

NATIONAL WOOL MARKET REPORT

Season : **2007/08**
 Sale Date: **13-Feb-2008**
 Catalogue: **MC21**



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AWEX-ID under licence from Australian Wool Exchange

Prices surge to a fresh seasonal high

PORT ELIZABETH: The wool market exceeded all expectations at this week's sale when Cape Wools' Merino indicator surged by 5,1% to close at a fresh seasonal high of R69,72/kg (clean). This is up 25% on the opening sale.

Concern about the supply of quality Merino wools for the remainder of the season appears to have been the main driving force behind the price hike. The fact that there will be no sale next week may also have contributed.

With the rand regaining most of last week's losses, the exchange rate played only a minor role. The rand was trading at R7,69 against the US dollar, down 0,8%, while the euro was virtually unchanged at R11,21.

There was brisk demand for all quality wools and prices rose across the board. The offering totaled 9 428 bales, almost 2 000 bales more than last week, of which 98% changed hands.

Major buyers were Standard Wool SA (1 858 bales); Modiano (1 719 bales); Chargeurs Wool (1 516 bales); Stucken (1 068 bales), and Lempriere (Aust) Ltd (925 bales).

Average price movements for AWEX-type fleeces, MF4 and MF5 of 70 and 80 mm were as follows: 19 microns were up 2,5% at R90,04/kg; 20 microns gained 2,8% at R79,04/kg, and 21 microns were 4,4% dearer at R71,21/kg. There were no quotes for 22, 23, 24 and 25 microns due to insufficient quantities in these categories.

No sale has been scheduled for next week. Sales will resume on 27 February when an estimated 11 000 bales will be offered.

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	71.8	64.7	Merino Fleeces	35.1	3 313	99.3	2 169	99.4	
Medium Wool	22.7	26.9	Merino Bellies	5.6	530	93.8	442	98.9	
Short Wool and Locks	5.5	8.4	Merino Lambs	5.5	517	94.8	468	98.9	
Fine Wool (<20µ)	51.1	36.7	Merino Locks	5.0	469	98.3	470	98.3	
Medium Wool (20 - 22µ)	44.5	56.8	Other	48.8	4 599	96.8	3 843	98.5	
Strong Wool (22 - 24µ)	3.7	6.5	Total	100.0	9 428	97.5	7 392	98.8	
Overstrong (24 - 27µ)	0.7	0.0							
<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
SA Indicator	6 972	6 635	5.1						
AWEX EMI	990	990	0.0	Durban	4 288	4 251	99.1	2 749	2 726
R/US Dollar	7.6943	7.6366	-0.8	Port Elizabeth	5 140	4 940	96.1	4 643	4 577
R/A Dollar	6.9230	6.8300	-1.4	Total	9 428	9 191	97.5	7 392	7 303
R/Euro	11.2103	11.1630	-0.4						
<i>Main Buyers</i>				<i>Receipts 08 February 2008</i>					
Buyers	This Week	% of Sale	To Date	Season to Date (Kg)		Last Season (Kg)		% Change	
				33 754 551	33 180 399	1.7			
Standard Wool SA	1 858	20.2	32 115	<i>Next Auction</i>					
G Modiano	1 719	18.7	45 072	Name	Date	Offerings (Bales)			
Chargeurs Wool	1 516	16.5	29 042	S A Wool Exchange	27/02/2008	± 10 000			
Stucken	1 068	11.6	25 702	Van Lill Wool Buyers	26/02/2008	± 415			
Lempriere (Aus) Ltd	925	10.1	7 601	Saunders et al.	26/02/2008	± 600			
ADF	809	8.8	11 153	Lanata	26/02/2008	± 400			
Segard Masurel	777	8.5	27 767	SA Indicator - MC21		6 972			
Beier Fin	438	4.8	11 529	Ave SA Indicator - Season to Date		5 949			
New England Wool	81	0.9	1 675	Ave SA Indicator - Previous Season		4 818			

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				8416																
20.0				7817									6.7							
20.5																				
21.0																				
21.5			6937	6816									2.8							
22.0			6821																	
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	9015	7885		7544	6396	6506
Bellies				7687	7076	
Locks		3417	4090	6560	3933	3240
Average Quality						
Lambswool	8320	7893		6818	5852	5648
Bellies	7594	6636	6185	6936	6455	5959
Locks		6563		5884	4772	
Inferior Quality						
Fleecewool	7782	7123	6178	7353	6850	
Lambswool						
Bellies			5711	6470	5481	5147
Locks		4119	3070	5053	3299	2993

Industry News

Wool receipts still higher

Receipts into brokers' stores up to 8 February currently are up 1,7% on the corresponding period last season. A total of 33,8 mkg wool has been received compared with 33,2 mkg last year.

Offerings at auction, however, are up 3,1%, totaling 182 439 bales compared with 176 938 bales in 2006/07. An analysis of the offerings shows an 1,9% drop in the number of Merino bales offered, while the volume of other white wool offered has increased by 17,3%.

The average clean price up to 8 February came to R53,48/kg, which is an increase of 31% on the corresponding period last season.