

NATIONAL WOOL MARKET REPORT

Season : **2007/08**
 Sale Date: **27-Feb-2008**
 Catalogue: **MC22**



CAPE WOOLS SA

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STRONGER RAND FORCES MARKET DOWN

PORT ELIZABETH: Due to the stronger rand, the market retracted marginally from last week's price levels and Cape Wools' Merino indicator closed 2,2% softer at R68,16/kg (clean).

This was in tandem with the Australian market, which closed 2,3% down on last week's levels.

Quality wools, however, are still fetching excellent prices and there was good demand for from all sectors of the trade for these types.

The rand, which had recovered much of its losses since the previous sale two weeks ago, was trading 3% firmer against the US dollar at R7,46, while it was virtually unchanged against the euro at R.11,23.

Fine wools were the most affected with 19 microns posting the biggest decline. Medium to stronger wools were on average 3% to 4% cheaper.

It was a fairly large offering, totaling 10 499 bales of which 96% were sold. Major buyers were Modiano (2 166 bales); Standard Wool SA (1 998 bales); Chargeurs Wool (1 901 bales); Lempriere (Aust) Ltd (1 346 bales) and Stucken (1 227 bales).

Average price movements for AWEX-type fleeces, MF4 and MF5 of 70 and 80 mm were as follows: 19 microns were down 9% at R83,78/kg; 20 microns fell 3,7% at R76,10/kg, and 21 microns were 3,2% cheaper at R68,90 /kg. There were no quotes for 22, 23, 24 and 25 microns due to insufficient quantities in these categories.

Approximately 11 000 bales will come under the hammer at next week's sale.

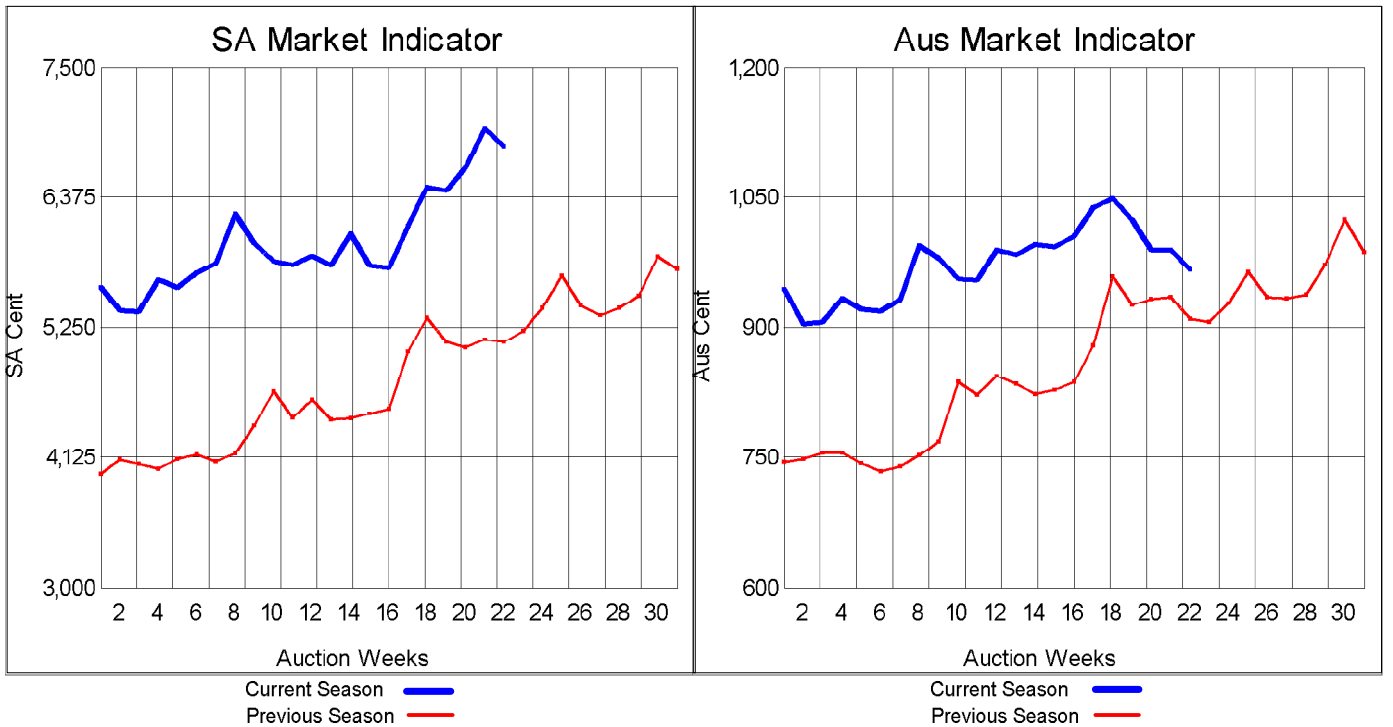
Auction Analysis										
Composition of Fleece Offerings				Analysis of Offerings						
Description	% This Week	% Prev Sale	Description	This Week			Previous Sale			
				%	Bales	% Sold	Bales	% Sold		
Long Wool	48.8	71.8	Merino Fleeces	29.2	3 064	98.9	3 313	99.3		
Medium Wool	41.4	22.7	Merino Bellies	5.1	537	99.3	530	93.8		
Short Wool and Locks	9.8	5.5	Merino Lambs	7.2	753	95.4	517	94.8		
Fine Wool (<20µ)	28.6	51.1	Merino Locks	3.7	391	97.2	469	98.3		
Medium Wool (20 - 22µ)	53.4	44.5	Other	54.8	5 754	93.2	4 599	96.8		
Strong Wool (22 - 24µ)	15.6	3.7	Total	100.0	10 499	95.5	9 428	97.5		
Overstrong (24 - 27µ)	2.4	0.7								
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	6 816	6 972	-2.2							
AWEX EMI	967	990	-2.3	Durban	2 944	2 810	95.4	4 288	4 251	
R/US Dollar	7.4660	7.6943	3.0	Port Elizabeth	7 555	7 217	95.5	5 140	4 940	
R/A Dollar	7.0003	6.9230	-1.1	Total	10 499	10 027	95.5	9 428	9 191	
R/Euro	11.2278	11.2103	-0.2							
Receipts 22 February 2008										
Main Buyers				Season to Date (Kg)	Last Season (Kg)			% Change		
Buyers	This Week	% of Sale	To Date	36 255 805	35 452 619			2.3		
G Modiano	2 166	21.6	47 238	Next Auction						
Standard Wool SA	1 998	19.9	34 135	Name	Date	Offerings (Bales)				
Chargeurs Wool	1 901	19.0	30 943	S A Wool Exchange	05/03/2008	± 11 000				
Lempriere (Aus) Ltd	1 346	13.4	8 947	Van Lill Wool Buyers	-	-				
Stucken	1 227	12.2	26 930	Saunders et al.	-	-				
Beier Fin	696	6.9	12 235	Lanata	-	-				
Segard Masurel	440	4.4	28 207	SA Indicator	-	MC22			6 816	
ADF	232	2.3	11 385	Ave SA Indicator - Season to Date						5 988
New England Wool	21	0.2	1 696	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						7874														
18.5						7792										-2.2				
19.0				8378	8239	7557	5944								-7.0					
19.5		8278	8332	8104	7936	7400									-3.2	-3.3	-5.5	-7.6		
20.0			7789	7431	7125	7127									-4.1	-3.4	-4.7	2.9		
20.5			7164	7104	6968	6698	5270								-4.8	-3.0	-5.4	0.0		
21.0			6897	6883	6736	5920	5073								-3.8	-3.0	-4.2	-3.3	-4.3	
21.5			6786	6752	6705	6277									-4.5	-2.0	-2.3			
22.0			6797	6789	6698	5978										-3.1				
22.5			6645	6648	6581	5778														
23.0			6546		6468															
23.5				6478		5354														
24.0			6510																	

* 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						7376														
19.5					7401															
20.0																				
20.5				6758		6118								-8.0						
21.0			6826			5909								-5.4						
21.5				6170		5958								-10.5						
22.0																				
22.5				6062																
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	8569	7599	6951	7049	6094	5825
Bellies		7024	6194	7101	6617	4984
Locks				6325	4900	3264
Average Quality						
Lambswool	8020	7419	7082	5977	6077	5218
Bellies	7847	6609	6059	6413	6157	5737
Locks				3656	3182	3094
Inferior Quality						
Fleecewool	6982	6530	5910		6405	5492
Lambswool	7351				5551	
Bellies		6693		4657	5634	4323
Locks		3217	3242	3103	3237	2551

Industry News

Big jump in prices

Cape Wools' Merino indicator has jumped nearly 14% since the last the first sale in January this year. The market opened at R61,31/kg (clean) and has since surged to a seasonal high of R69,72/kg at the sale of 13 February. This is up 35% on the same sale last season and almost 25% higher than the opening sale.

The average clean price at 13 February stood at R53,27/kg compared with R40,89/kg in the 2006/07 season.

Although the currency was a contributing factor, supply concerns also contributed significantly to the price hike. Of the 28,5 mkg offered at auction up to 15 February, 99% was sold (this figure includes after sales).