

NATIONAL WOOL MARKET REPORT

Season : 2007/08
 Sale Date: 5-Mar-2008
 Catalogue: MC23



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AWEX-ID under licence from Australian Wool Exchange

Weak rand pushes Market to fresh seasonal high

PORT ELIZABETH: The weaker rand supported the market at this week's sale and Cape Wools' Merino indicator gained 2,6% to close at a fresh seasonal high of R69,95/kg (clean).

This means that the indicator currently is 25% higher than the opening sale and up 34% on the same sale last season. The Australian indicator was 0,3% up on last Wednesday.

The rand has been on a roller coaster ride over the past week and at one stage tested the R8-the-US-dollar level before recouping some of its losses. At today's sale, it was trading at around R7,80, which was down 4,5% on last week. It had also lost ground to the euro, trading down 5,6% at R11,85.

Fine wools (19 microns) benefited the most, gaining around 5%, while the other Merino long wool categories were up between 2% to 3%.

It was a fairly large offering, totaling 11 225 bales of which 97% were sold. Major buyers were Standard Wool SA (3 196 bales); Modiano (2 530 bales); Chargeurs Wool (1 790 bales); and Lempriere (Aust) Ltd (1 067 bales).

Average price movements for AWEX-type fleeces, MF4 and MF5 of 70 and 80 mm were as follows: 19 microns gained 5,1% at R88,07/kg; 20 microns rose 1,6% to R77,35/kg; 21 microns were 3,3% dearer at R71,18/kg; 22 microns were up 2,3% at R69,76/kg; and 23 microns rose 2,6% to R67,14/kg. There were no quotes for 24 and 25 microns in these specific categories.

Approximately 12 000 bales will be offered at next week's sale.

Auction Analysis

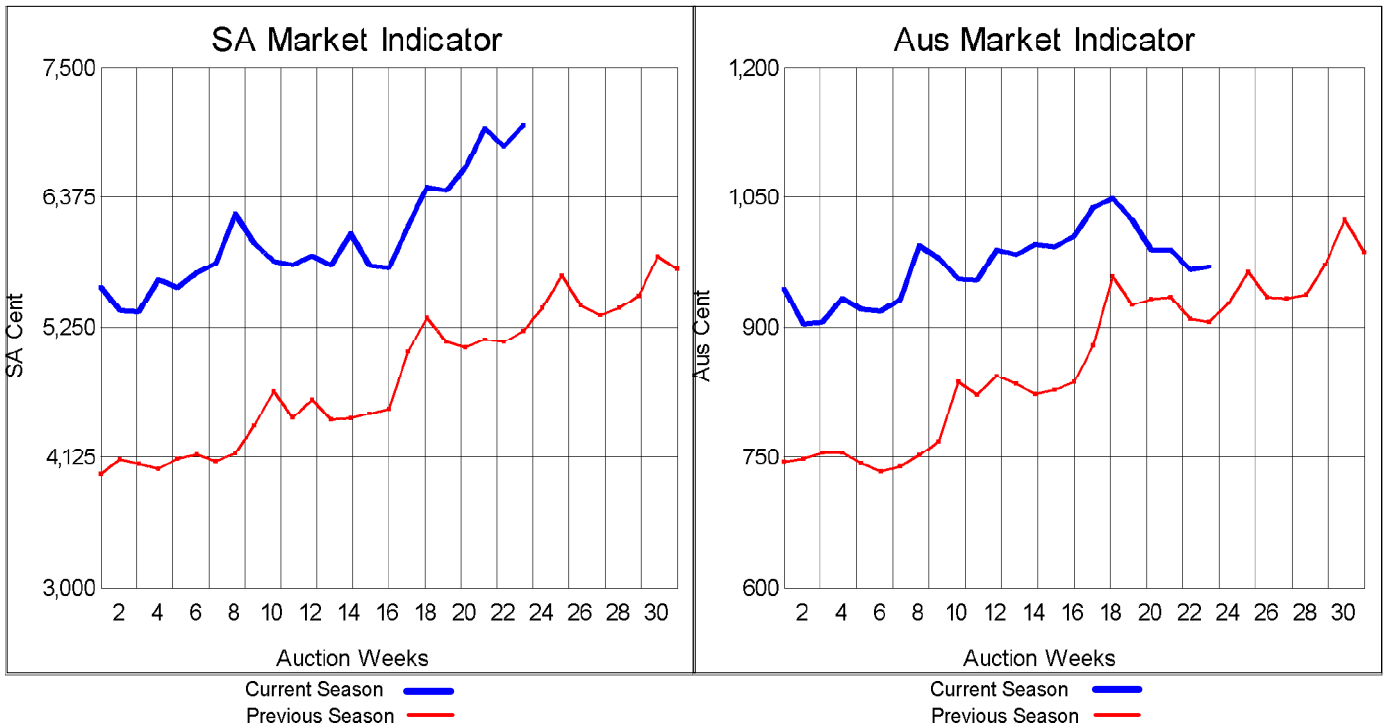
Composition of Fleece Offerings				Analysis of Offerings					
Description	% This Week	% Prev Sale	Description	This Week			Previous Sale		
				%	Bales	% Sold	Bales	% Sold	
Long Wool	62.3	48.8	Merino Fleeces	42.8	4 808	97.4	3 064	98.9	
Medium Wool	27.5	41.4	Merino Bellies	5.9	664	94.9	537	99.3	
Short Wool and Locks	10.2	9.8	Merino Lambs	9.2	1 031	94.9	753	95.4	
Fine Wool (<20µ)	27.2	28.6	Merino Locks	3.7	414	99.5	391	97.2	
Medium Wool (20 - 22µ)	56.1	53.4	Other	38.4	4 308	97.8	5 754	93.2	
Strong Wool (22 - 24µ)	16.5	15.6	Total	100.0	11 225	97.3	10 499	95.5	
Overstrong (24 - 27µ)	0.2	2.4							
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	6 995	6 816	2.6						
AWEX EMI	970	967	0.3	Durban	3 762	3 721	98.9	2 944	2 810
R/US Dollar	7.8053	7.4660	-4.5	Port Elizabeth	7 463	7 197	96.4	7 555	7 217
R/A Dollar	7.2197	7.0003	-3.1	Total	11 225	10 918	97.3	10 499	10 027
R/Euro	11.8518	11.2278	-5.6						
Main Buyers				Receipts 29 February 2008					
Buyers	This Week	% of Sale	To Date	Season to Date (Kg)		Last Season (Kg)		% Change	
				37 731 736	36 908 433	2.2			
Standard Wool SA	3 196	29.3	37 343	Next Auction					
G Modiano	2 530	23.2	49 755	Name	Date	Offerings (Bales)			
Chargeurs Wool	1 790	16.4	32 776	S A Wool Exchange	12/03/2008	± 10 000			
Lempriere (Aus) Ltd	1 067	9.8	10 130	Van Lill Wool Buyers	11/03/2008	± 777			
Segard Masurel	682	6.2	28 889	Saunders et al.	11/03/2008	± 750			
Stucken	657	6.0	27 623	Lanata	11/03/2008	± 480			
Beier Fin	549	5.0	12 798	SA Indicator	-	MC23	6 995		
ADF	410	3.8	11 802	Ave SA Indicator - Season to Date			6 032		
New England Wool	37	0.3	1 733	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				9270			7853													-0.3
18.5		9118	9211	9492	8787	7970														2.2
19.0			8893	8722	8136	7730														
19.5		8238	8387	8382	8035	7536	6271													
20.0		7720	7741	7729	7353		6059													
20.5		7376	7390	7456	7176	6287	5658													
21.0		7199	7141	7095	6929	6174	5796													
21.5		7043	7054	7046	6934	6480	5688													
22.0		6949	6949	7002	6790	6287	5213													
22.5			6752	6797	6711	5732	5355													
23.0			6721	6706		6000	4891													
23.5				6655																
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			8213																	
20.0																				
20.5																				
21.0				7056		6211									4.9					
21.5			6586	6638									7.1							
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
<u>Good Quality</u>						
Lambswool	8673	7675	7184	6925	6528	5950
Bellies	7868	6869	6411	7321	6949	6254
Locks				4754	3797	
<u>Average Quality</u>						
Lambswool	7924	7308	7313	6766	6173	5773
Bellies	7620	7165	6334	6567	6430	5364
Locks				6675	4020	3011
<u>Inferior Quality</u>						
Fleecewool	7347	6885	6215		5355	5844
Lambswool	8596					3983
Bellies	8129		6127	6292	5416	4080
Locks		5657	3109	6489	4247	3103

Industry News

Rand remains under pressure

Uncertainty in global markets, rising commodity prices and a flight to safe havens have put huge pressure on the rand, causing the currency to fall to a five-year low against the US dollar on Friday last week, to test the R8 to the dollar level.

After recovering somewhat earlier this week, the rand came under intense selling pressure again on Monday but stabilised on Tuesday to trade at around R7,83 to R7,90 to the dollar and R11,92 to the euro.

In the year to date, the rand has lost 13% against the dollar, 15% against the pound and more than 20% against the euro. Rand volatility is also affecting wool prices