NATIONAL WOOL MARKET REPORT

Season : **2007/08**
Sale Date: **12-Mar-2008**
Catalogue: **MC24**

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CAPE WOOLS SA

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MARKET CLOSES UNCHANGED

PORT ELIZABETH: The last sale before the Easter recess saw the market remaining virtually unchanged with Cape Wools' Merino indicator closing the day down a mere 0,6% at R69,52/kg (clean).

The rand continued to be volatile and was 0,5% stronger against the dollar compared with last week's sale, but 1% weaker against the euro at R11,97.

Most long wool categories were slightly cheaper, the worst affected being 20 microns, which dropped by around 2%.

The offering totaled 10 430 bales of which 96% were sold. Major buyers were Standard Wool SA (2 336 bales); Modiano (2 277 bales); Chargeurs Wool (1 456 bales); and Stucken (1 442 bales).

Average price movements for AWEX-type fleeces, MF4 and MF5 of 70 and 80 mm were as follows: 19 microns dropped 1,2% to R86,98/kg; 20 microns were down 2,3% to R75,53/kg; 21 microns were 0,6% cheaper at R70,85/kg; 22 microns were down 0,8% at R69,22/kg; and 23 microns weakened by 09% to R67,73/kg. There were no quotes for 24 and 25 microns in these specific categories.

Sales will resume on 2 April when approximately 15 000 bales will be on offer.

Auction Analysis

Composition of Fleece Offerings

Description	% This Week	% Prev Sale
Long Wool	63.0	62.3
Medium Wool	25.7	27.5
Short Wool and Locks	11.3	10.2
Fine Wool (<20µ)	34.2	27.2
Medium Wool (20 - 22µ)	55.9	56.1
Strong Wool (22 - 24µ)	9.5	16.5
Overstrong (24 - 27µ)	0.4	0.2

Analysis of Offerings

Description	This Week			Previous Sale	
	%	Bales	% Sold	Bales	% Sold
Merino Fleeces	47.6	4 960	96.0	4 808	97.4
Merino Bellies	8.0	836	92.1	664	94.9
Merino Lambs	9.8	1 020	94.1	1 031	94.9
Merino Locks	2.4	253	93.7	414	99.5
Other	32.2	3 361	97.8	4 308	97.8
Total	**100.0**	**10 430**	**96.0**	**11 225**	**97.3**

Other Indicators

Indicators	This Week	Prev Sale	% Change
SA Indicator	**6 952**	**6 995**	**-0.6**
AWEX EMI	974	970	**0.4**
R/US Dollar	7.7694	7.8053	**0.5**
R/A Dollar	7.2315	7.2197	**-0.2**
R/Euro	11.9672	11.8518	**-1.0**

Offerings per Port

Ports	This Week (Bales)			Prev Sale (Bales)	
	Offered	Sold	% Sold	Offered	Sold
Durban	4 308	4 142	96.1	3 762	3 721
Port Elizabeth	6 122	5 874	95.9	7 463	7 197
Total	**10 430**	**10 016**	**96.0**	**11 225**	**10 918**

Main Buyers

Buyers	This Week	% of Sale	To Date
Standard Wool SA	2 336	23.3	**39 357**
G Modiano	2 277	22.7	**52 032**
Chargeurs Wool	1 456	14.5	**34 244**
Stucken	1 442	14.4	**29 065**
ADF	813	8.1	**12 663**
Lempriere (Aus) Ltd	723	7.2	**10 853**
Beier Fin	492	4.9	**13 308**
Segard Masurel	398	4.0	**29 675**
New England Wool	79	0.8	**1 812**

Receipts 07 March 2008

Season to Date (Kg)	Last Season (Kg)	% Change
38 686 513	37 655 230	2.7

Next Auction

Name	Date	Offerings (Bales)
S A Wool Exchange	02/04/2008	± 14 000
Van Lill Wool Buyers	01/04/2008	± 250
Saunders et al.	01/04/2008	± 350
Lanata	01/04/2008	± 250

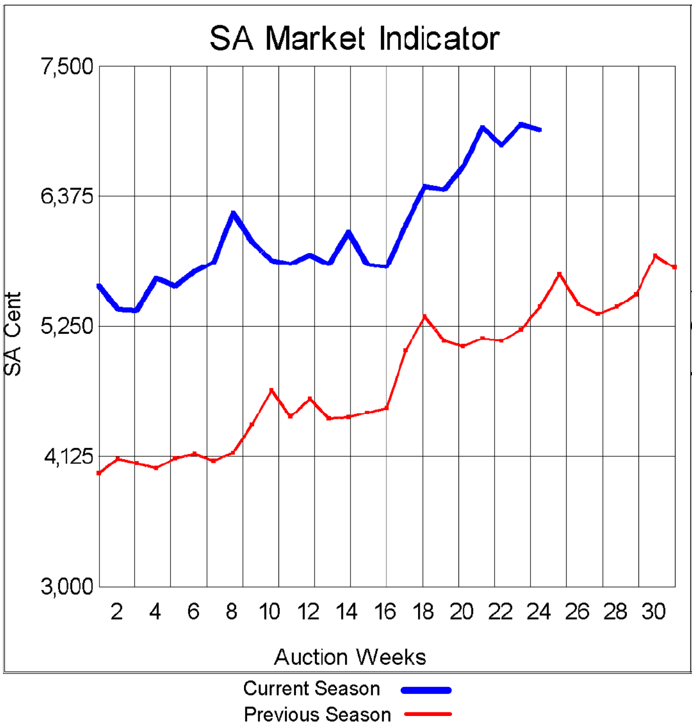
SA Indicator -	**MC24**	**6 952**
Ave SA Indicator - Season to Date		**6 070**
Ave SA Indicator - Previous Season		**4 818**

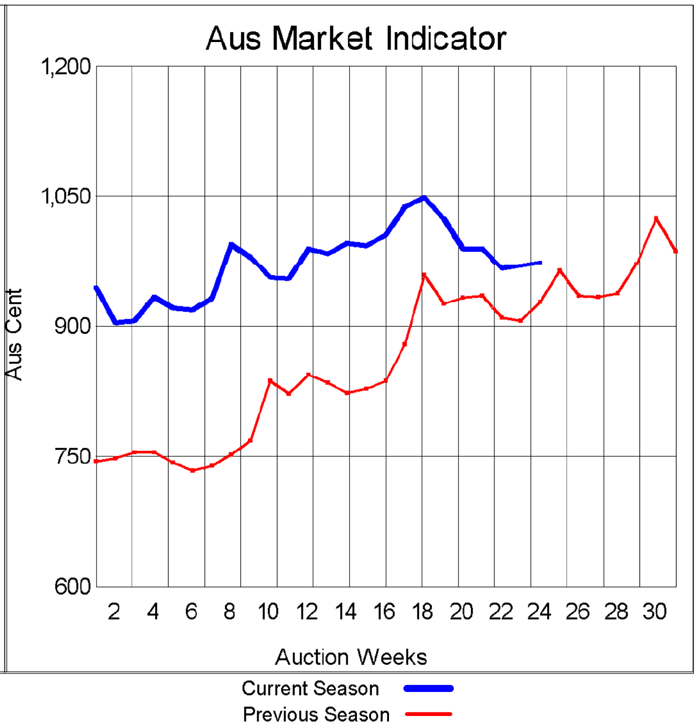
Cape Wools SA

Fleece Wool Prices (Spinners and Good Topmaking Styles, AWEX Types MF4 and MF5)

	Average Price (c/kg. clean) *										Percentage change from previous catalogue									
Micron	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						7890										0.5				
18.5			8854	9315									-4.0	-1.9						
19.0		8582	8792	8604	8315	7304	6413						-1.2	-1.4	2.2	-5.8				
19.5		8155	8013	8042	7861	7575	6233					-1.0	-4.7	-4.2	-2.2	0.5	-0.6			
20.0		7762	7601	7505	7488	6860	5803					0.6	-1.8	-3.0	1.8		-4.4			
20.5		7298	7253	7216	7145	6745	5784					-1.1	-1.9	-3.3	-0.4	6.8	2.2			
21.0		7060	7118	7051	6896	6489	5466					-2.0	-0.3	-0.6	-0.5	4.9	-6.1			
21.5		6919	6934	6893	6745	6185	6008					-1.8	-1.7	-2.2	-2.8	-4.8	5.3			
22.0			6957	6887		5634	5583						0.1	-1.7		-11.6	6.6			
22.5		6857	6795	6829	6649	6317							0.6	0.5	-0.9	9.3				
23.0			6773		6784								0.8							
23.5				6745		5114								1.3						
24.0																				

*** Based on a minimum of 3 lots sold per category**





Cape Wools SA

Fleece Wool Prices (Average Topmaking Style, AWEX type MF6)

	Average Price (c/kg. clean)*										Percentage change from previous catalogue									
Micron	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																				
20.5			7267	6545																
21.0					6659	6355										2.3				
21.5																				
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		
Good Quality	**19µ**	**20µ**	**21µ**	**19µ**	**20µ**	**21µ**
Lambswool	8174	7634	7122	6908	6382	4877
Bellies		7605	6528	7140	6776	6333
Locks				6087	3498	3488
Average Quality						
Lambswool	8469	7622	6520	6692	6254	4533
Bellies	8251	6681	5952	6820	6401	6030
Locks				5764	4158	
Inferior Quality						
Fleecewool	7503	6668	6321		2832	3265
Lambswool		7509		6328		
Bellies		6758	6361	6150	5187	4732
Locks	6045	3125	3324	5751	3087	3221

Industry News

Best season in five years?

Indications are that the 2007/08 season will be the best in five years regarding price and production. The accumulative results as at 7 March this year, show that Cape Wools' Merino indictor has gained 25% since the opening sale and was 34% higher than at the same date last season, while the average clean wool price was up 31% on the corresponding period last season.

Receipts at brokers' stores rose 2,7%, pointing to increased production. Total offerings at auction (kg) show an 8,1% increase, with the number of Merino bales offered up 11,3%.

The accumulative sales percentage (including after-sales) stood at 99,4%.