

# NATIONAL WOOL MARKET REPORT

Season : **2007/08**  
 Sale Date: **29-Apr-2008**  
 Catalogue: **MC27**



CAPE WOOLS SA

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*AWEX-ID under licence from Australian Wool Exchange*

**Market Commentary**  
**STRONGER RAND PUSHES PRICES DOWN**

**PORT ELIZABETH: A firmer rand and a technical correction to bring local prices more in line with Australia pushed prices down at this week's sale and Cape Wools' Merino indicator dropped 6,8% to close at R64,76/kg (clean). The Australian indicator last week shed 2,2% after the Australian dollar reached a fresh high against the US dollar.**

**The rand firmed to an 8-week high of R7,58 to the US dollar on Friday. Today, it firmed further to trade at R7,54. This represents a 5% appreciation since the previous sale two weeks ago. It was 1,9% firmer against the euro at R12,37.**

**Prices for all micron categories were down, with medium to stronger wools down over 7%. The offering totaled 11 868 bales of which 96% was sold. Major buyers were Modiano (2 980 bales); Standard Wool SA (2 135 bales); Stucken (1 896 bales); and Chargeurs Wool (1 747 bales). Average price movements for AWEX-type fleeces, MF4 and MF5 of 70 and 80 mm were as follows: 19 microns dropped 4,2% at R84,78 /kg; 20 microns were down 8,6% at R71,37/kg; 21 microns were 7,6% cheaper at R65,63/kg; 22 microns shed 7,7% at R63,54 /kg; and 23 microns were 7,8% cheaper at R62,11 /kg. There were no quotes for 24 and 25 microns due to insufficient quantities in these categories. The next sales has been scheduled for 14 May when approximately 12 500 bales will be offered.**

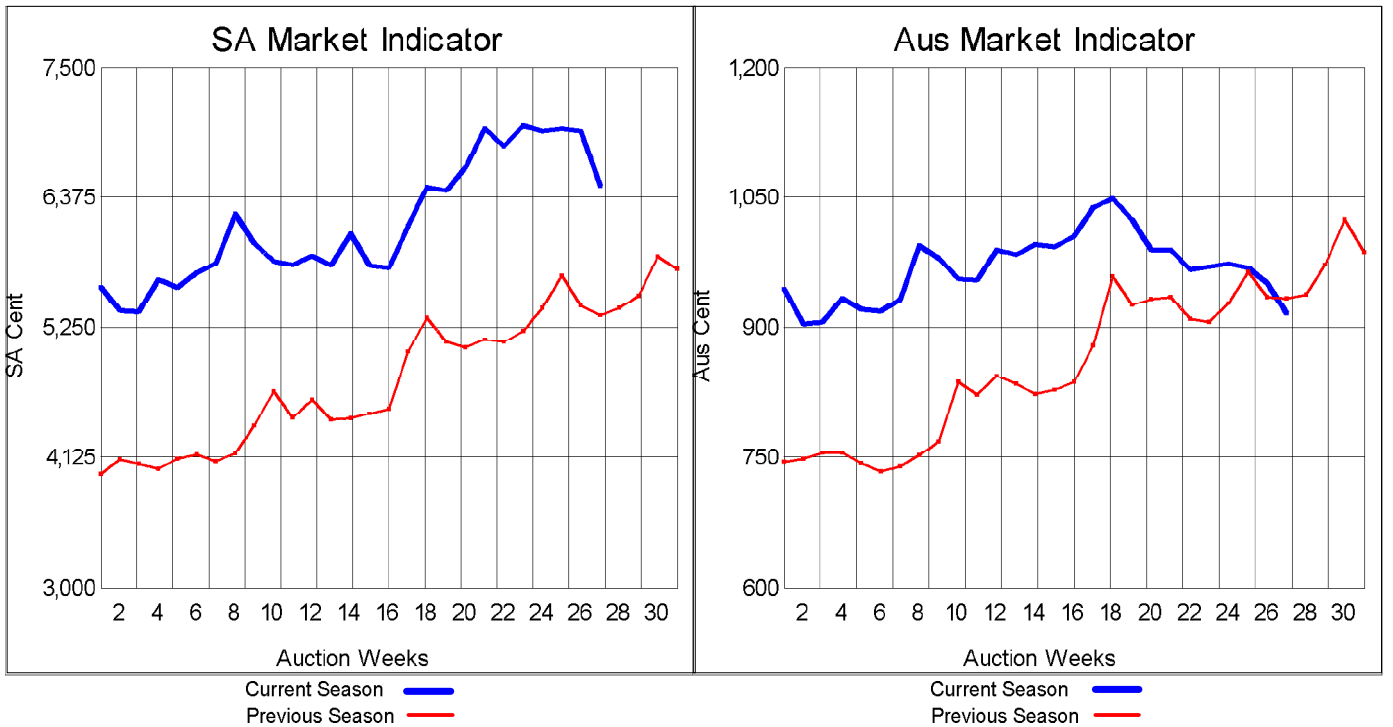
<b>Auction Analysis</b>										
<b>Composition of Fleece Offerings</b>				<b>Analysis of Offerings</b>						
Description	% This Week	% Prev Sale	Description	This Week			Previous Sale			
				%	Bales	% Sold	Bales	% Sold		
Long Wool	37.7	42.7	Merino Fleeces	34.9	4 144	97.6	3 797	96.5		
Medium Wool	43.7	36.0	Merino Bellies	7.7	909	98.0	843	97.7		
Short Wool and Locks	18.6	21.3	Merino Lambs	7.2	859	98.1	810	95.8		
Fine Wool (<20µ)	23.3	25.5	Merino Locks	5.3	633	98.6	584	95.7		
Medium Wool (20 - 22µ)	58.2	56.9	Other	44.9	5 323	93.3	6 550	97.1		
Strong Wool (22 - 24µ)	16.9	15.1	<b>Total</b>	<b>100.0</b>	<b>11 868</b>	<b>95.8</b>	<b>12 584</b>	<b>96.8</b>		
Overstrong (24 - 27µ)	1.7	2.6								
<b>Other Indicators</b>				<b>Offerings per Port</b>						
Indicators	This Week	Prev Sale	% Change	Ports	This Week (Bales)			Prev Sale (Bales)		
					Offered	Sold	% Sold	Offered	Sold	
<b>SA Indicator</b>	<b>6 476</b>	<b>6 948</b>	<b>-6.8</b>							
AWEX EMI	916	951	-3.7	Durban	2 731	2 628	96.2	4 287	4 150	
R/US Dollar	7.5410	7.9360	5.0	Port Elizabeth	9 137	8 739	95.6	8 297	8 033	
R/A Dollar	7.0321	7.3810	4.7	<b>Total</b>	<b>11 868</b>	<b>11 367</b>	<b>95.8</b>	<b>12 584</b>	<b>12 183</b>	
R/Euro	12.3699	12.6058	1.9							
<b>Main Buyers</b>				<b>Receipts 25 April 2008</b>						
Buyers	This Week	% of Sale	To Date	Season to Date (Kg)		Last Season (Kg)		% Change		
				44 657 813	43 526 591	2.6				
G Modiano	2 980	26.2	61 855	<b>Next Auction</b>						
Standard Wool S A	2 135	18.8	47 376	Name	Date	Offerings (Bales)				
Stucken	1 896	16.7	34 945	S A Wool Exchange		14/05/2008	± 11 500			
Chargeurs Wool	1 747	15.4	40 006	Van Lill Wool Buyers		13/05/2008	± 150			
Beier Fin	842	7.4	15 978	Saunders et al.		13/05/2008	± 750			
Lempriere (Aus) Ltd	662	5.8	13 249	Lanata		13/05/2008	± 200			
Segard Masurel	593	5.2	32 142	<b>SA Indicator</b>		-	<b>MC27</b>	<b>6 476</b>		
ADF	508	4.5	14 499	<b>Ave SA Indicator - Season to Date</b>						<b>6 151</b>
New England Wool	4	0.0	1 833	<b>Ave SA Indicator - Previous Season</b>						<b>4 818</b>

## 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					8806	7575	6264													-2.8
18.5				9060	8793	7387								-5.1	-3.0	-4.3				
19.0				8478	7946	7228	6371								-5.4	-6.8	0.5			
19.5			7975	8053	7576	7072	6245	5020						-6.9	-4.3	-7.0	-4.6	-6.2	-1.5	
20.0			7147	7126	7055	6543	5692	4245	3927					1.8	-8.1	-7.9	-5.2	-6.6		
20.5			6848	6758	6561	6118	5344							-4.6	-5.1	-8.7	-7.3	-11.4		
21.0	6586	6590	6536	6390	6115	5102								-8.4	-3.4	-11.3	-3.9	-2.2		
21.5	6559	6471	6401	6263	6062	4601	4533							-3.6	-8.7	-8.5	-5.4	-21.7		
22.0	6335	6410	6297	6096	5845	4603								-0.7	-6.8	-10.1	-9.9	-5.0	-9.5	
22.5			6165	6183	6120	5663	4596								-8.9	-6.9	-10.8	-10.7		
23.0			6352	6070			5012								-6.5	-10.7				
23.5			6243	6135		5369									-7.3	-6.9		-15.0		
24.0					5821															

\* 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						6622		4339							-8.2					
20.0						6284														
20.5					6154			4435									1.0			
21.0		6395				5334														
21.5						5919	4693										10.2			
22.0							4458										-1.5			
22.5							4018													
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
<b>Good Quality</b>						
Lambswool	8355	7548	6572	6552	5818	5223
Bellies		6600		6574	6103	5875
Locks				3874	3194	2753
<b>Average Quality</b>						
Lambswool	8100	7179	6374	6339	6026	5508
Bellies	7375	6615	5659	5449	5497	4949
Locks				2870	3242	2787
<b>Inferior Quality</b>						
Fleecewool	7617	6366	5787		5684	5688
Lambswool	7653		5967	5644	5337	
Bellies			5979	4920	4852	4492
Locks			2883	3018	2777	2703

#### Industry News

##### Increase in grease wool exports to China

In volume terms, China's grease wool imports up to end March 2008 increased to 9,67 mkg, which is up 47% year-on-year. On a value basis, this is 29,3% of the total value of exports. Imports of scoureds dropped 55%, while imports of wool top were down 2,7%.

Italy, the second major destination, imported slightly less wool than in the corresponding period last season. Grease wool exports (volume) dropped 0,7% and scoureds were down 43%, while tops were up 0,8%.

Grease wool and scoured exports to Germany, the third largest importer, rose 0,7% and 0,8% respectively, but top exports were down 0,3% in volume terms.

Exports to India, currently the fifth major destination, increased 133% in value.