

NATIONAL WOOL MARKET REPORT

Season : **2007/08**
 Sale Date: **14-May-2008**
 Catalogue: **MC28**



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Market Commentary

MARKET FINISHES SOFTER

PORT ELIZABETH: The market finished softer at today's sale and the Cape Wools' Merino indicator was down 5% compared with the previous sale a fortnight ago to close at R61,53/kg (clean).

This brings local prices more in line with Australia where prices have been trending downward over the past number of weeks, tracking softer demand in certain sectors of the textile pipeline.

The rand was 1% weaker against the US dollar at R7,61, but gained 5% against the euro to trade at R11,75. Prices fell across the board, with poor qualities significantly discounted.

This week's offering of 13 538 bales was slightly bigger than at the previous sale when it totaled 11 868 bales. A sales percentage of 96% was obtained. Major buyers were Modiano (4 112 bales); Standard Wool SA (2 257 bales); Chargeurs Wool (1 871 bales), and Stucken (1 737 bales).

Average price movements for AWEX-type fleeces, MF4 and MF5 of 70 and 80 mm were as follows: 19 microns fell 3,4% at R81,87 /kg; 20 microns were down 3,1% at R69,18/kg; 21 microns were 3% cheaper at R63,66/kg; 22 microns shed 4,7% at R60,56/kg; and 23 microns were 5,1% cheaper at R58,91/kg. There were no quotes for 24 and 25 microns due to insufficient quantities in these categories.

The next sale, which is the penultimate sale for the season, has been scheduled for 28 May when approximately 11 000 bales will be offered.

Auction Analysis

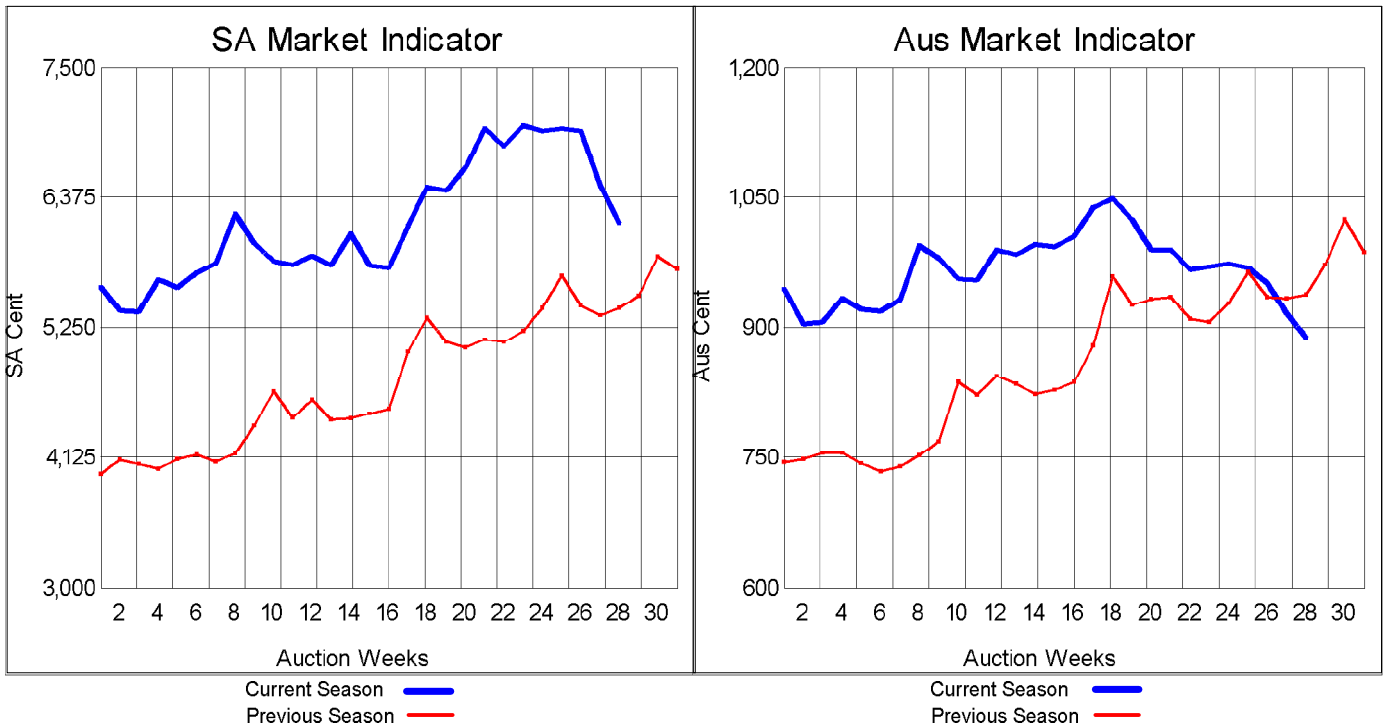
Composition of Fleece Offerings				Analysis of Offerings					
Description	% This Week	% Prev Sale	Description	This Week			Previous Sale		
				%	Bales	% Sold	Bales	% Sold	
Long Wool	36.6	37.7	Merino Fleeces	41.3	5 592	97.6	4 144	97.6	
Medium Wool	46.4	43.7	Merino Bellies	7.4	1 002	95.4	909	98.0	
Short Wool and Locks	17.0	18.6	Merino Lambs	9.0	1 212	92.4	859	98.1	
Fine Wool (<20µ)	27.2	23.3	Merino Locks	5.3	724	95.6	633	98.6	
Medium Wool (20 - 22µ)	58.2	58.2	Other	37.0	5 008	92.1	5 323	93.3	
Strong Wool (22 - 24µ)	13.3	16.9	Total	100.0	13 538	94.8	11 868	95.8	
Overstrong (24 - 27µ)	1.4	1.7							
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	6 153	6 476	-5.0						
AWEX EMI	888	916	-3.1	Durban	3 957	3 698	93.5	2 731	2 628
R/US Dollar	7.6127	7.5410	-1.0	Port Elizabeth	9 581	9 140	95.4	9 137	8 739
R/A Dollar	7.1043	7.0321	-1.0	Total	13 538	12 838	94.8	11 868	11 367
R/Euro	11.7468	12.3699	5.0						
Main Buyers				Receipts 09 May 2008					
Buyers	This Week	% of Sale	To Date	Season to Date (Kg)		Last Season (Kg)		% Change	
				46 324 670	44 564 490	3.9			
G Modiano	4 112	32.0	65 964	Next Auction					
Standard Wool S A	2 257	17.6	49 320	Name	Date	Offerings (Bales)			
Chargeurs Wool	1 871	14.6	41 915	S A Wool Exchange	28/05/2008	± 10 500			
Stucken	1 737	13.5	36 679	Van Lill Wool Buyers	-	-			
Lempriere (Aus) Ltd	912	7.1	14 172	Saunders et al.	27/05/2008	± 450			
Beier Fin	851	6.6	16 852	Lanata	27/05/2008	± 120			
Segard Masurel	606	4.7	33 078	SA Indicator	-	MC28	6 153		
ADF	460	3.6	14 955	Ave SA Indicator - Season to Date			6 152		
New England Wool	32	0.2	1 865	Ave SA Indicator - Previous Season			4 818		

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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							5935													-5.5
18.5				8681		7185	5378							-4.4		-2.8				
19.0				8187	7292	6881	5864							-3.6	-9.0	-5.0	-8.7			
19.5			7636	7486	7132	6553	5714	4468						-4.4	-7.6	-6.2	-7.9	-9.3	-12.4	
20.0	7069	6943	6893	6893	6561	6120	4751							-3.3	-3.4	-7.5	-6.9	-19.8		
20.5	6834	6365	6416	6110	5687	5007	4275							-7.6	-5.3	-7.4	-7.6	-6.7		
21.0			6413	6319	5983	5641	4450							-2.8	-3.4	-6.8	-8.4	-14.6		
21.5			6173	6075	5924	5677	4727	3642						-4.8	-5.4	-5.7	-6.8	2.7	-24.5	
22.0			6122	5990	5860	5543	4743							-4.7	-5.1	-4.0	-5.5	3.0		
22.5			5947	5937	5688	5363	4539							-3.7	-4.1	-7.6	-5.6	-1.3		
23.0			5961	5820	5538	4820								-6.6	-4.3					
23.5					5643															
24.0																				

* Based on a minimum of 3 lots sold per category



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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						6656														
19.0																				
19.5						5828									-13.6					
20.0						5791														
20.5					6084	5774	4263							-1.2						
21.0					5457		4533													
21.5						5405	4126	3351							-9.5	-13.7				
22.0						5462	4414												-1.0	
22.5							4016													-0.0
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	7949	6575	6175	6190	5654	4976
Bellies		6023		5914	5780	5120
Locks		3169	3626	3292	3007	3250
Average Quality						
Lambswool	7501	6896	6040	5620	5592	4802
Bellies	7568	6222	4925	5618	5183	4796
Locks				2840	2928	3160
Inferior Quality						
Fleecewool	6775	6112	5596	6231	5359	5318
Lambswool	7448	6591		5460	4124	4124
Bellies		5595		4587	4653	4602
Locks	2565	2821	2601	2722	2734	2758

Industry News

Increase in wool receipts

With only two more sales left to the end of the season, receipts into brokers' stores for the season up to 9 May 2008 amount to 46,3 mkg, which is up 3,9% year-on-year.

Offerings at auction, however, show an increase of only 1,6%, which could indicate that more wool has been sold outside the auction system. The increase of 1,6% is made up of a decrease in the volume of Merino wools offered (-4,2%), while other white wool offerings have increased by 13,2%. This could be ascribed to a swing to mutton production.

Total sales value of the wool sold in this period came to R1,3 billion million, up 30,8%, reflecting good price increases.