

CAPE WOOLS SA
Final Wool Sales Report and Price Summary

Auction Date **7-Sep-2005**
Catalogue Number **MA02**



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Market Commentary

WOOL PRICES DOWN

PORT ELIZABETH: This week's wool sale brought disappointment when prices weakened at the second sale of the season amid difficult market conditions and a fluctuating currency and Cape Wools market indicator finished the day 2,8% down to close at R24,06/kg (clean). The drop in price can to a large extent be attributed to the stronger currency. The rand gained 3% against the US dollar compared to the previous sale two weeks ago.

All micron categories were down but the broader end of the market posted the biggest drops. Major buyers were Stucken (2 110 bales), Modiano (1 588 bales), SA Wool Exporters (1 248 bales), Chargeurs Wool (1 002 bales) and United Wool (760 bales).

Average clean prices for good quality long (75 - 95mm) Merino fleeces (spinners' and good topmakers' styles) were as follows: 19 microns dropped 2,9% to close at R38,59/kg, 20 microns were down 5,5% at R34,56/kg, 21 microns were 3,4% cheaper at R32,30/kg, 22 microns were down 4,3% to R31,50/kg, 23 microns were 3,2% cheaper at R31,25/kg, 24 microns dropped 3,8% to R29,69/kg and 25 microns were down 2,7% at R28,69/kg.

Approximately 8 000 bales will be on offer at next week's sale.

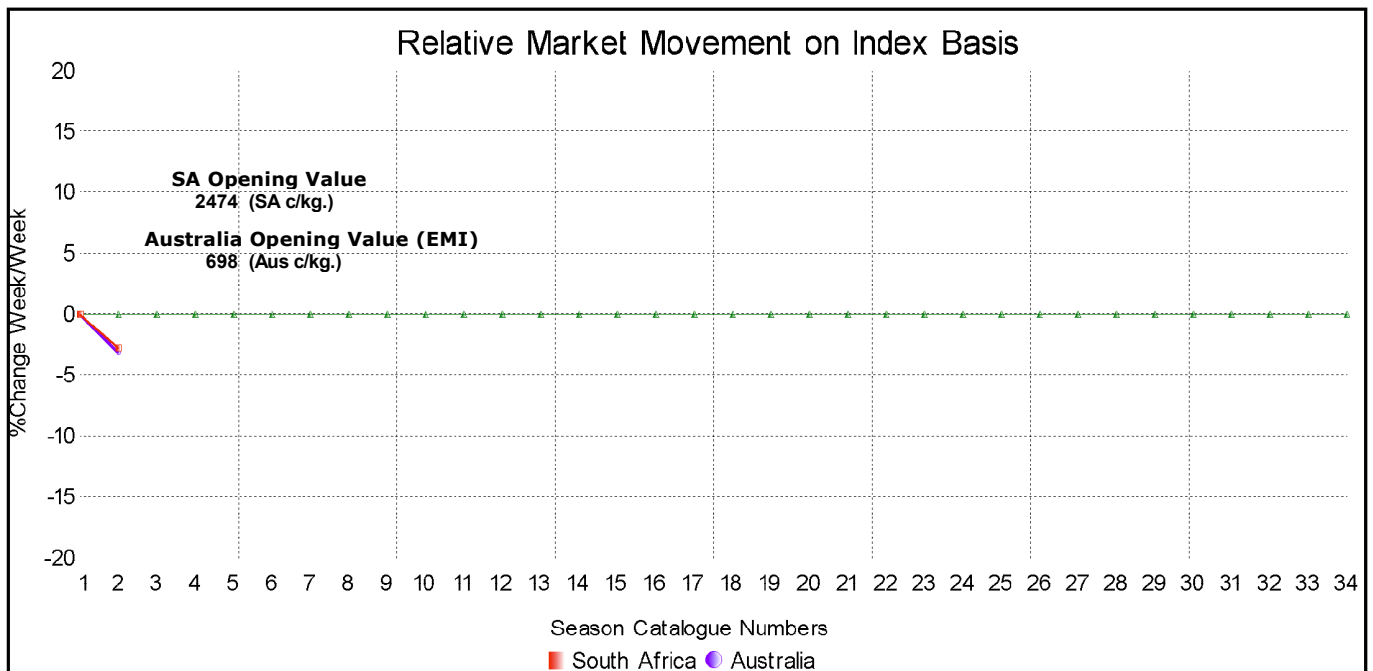
Auction Analysis

Composition of Fleece Offerings				Analysis of Offerings					
Description	% This Week	% Prev Week	Description	This Week			Previous Week		
				%	Bales	% Sold	Bales	% Sold	
Long Wool	51.3	46.9	Merino Fleeces	52.0	4 432	85.2	7 008	84.9	
Medium Wool	44.3	48.3	Merino Bellies	9.2	783	93.6	737	95.1	
Short Wool and Locks	4.4	4.8	Merino Lambs	9.5	808	87.9	1 330	86.8	
Fine Wool (<20μ)	8.7	8.7	Merino Locks	10.7	913	99.1	647	98.0	
Medium Wool (20 - 22μ)	63.8	59.8	Other	18.5	1 579	84.5	2 132	87.9	
Strong Wool (22 - 24μ)	24.2	29.4	Total	100.0	8 515	87.6	11 854	87.0	
Overstrong (24 - 27μ)	3.2	2.1							
Other Indicators				Offerings per Port					
Indicators	This Week	Prev Week	% Change	Ports	This Week (Bales)			Prev Week (Bales)	
					Offered	Sold	% Sold	Offered	Sold
SA Market Indicator	2 406	2 474	-2.8	Cape Town	965	615	63.7	2 144	1 720
AWEX EMI	676	698	-3.2	Durban	570	447	78.4	641	527
R/US Dollar	6.2836	6.4752	3.0	Port Elizabeth	6 980	6 398	91.7	9 069	8 065
R/A Dollar	4.8294	4.8710	0.9	Total	8 515	7 460	87.6	11 854	10 312
R/Euro	7.8486	7.8931	0.6						
Main Buyers				Receipts 02/09/2005					
Buyers	This Week	% of Sale	To Date	Season to Date (Kg)		Last Season (Kg)		% Change	
				5 596 763	5 634 000	5 634 000	-0.7		
Stucken	2 110	28.3	4 478	Next Auction					
G Modiano	1 588	21.3	4 699	Name		Date	Offerings (Bales)		
SA Wool Exporters	1 248	16.7	2 089	S A Wool Exchange		14/09/2005	± 7 000		
Chargeurs Wool	1 002	13.4	1 905	Van Lill Wool Buyers					
United Wool	760	10.2	2 746	Saunders et al.		13/09/2005	± 350		
Beier Fin	609	8.2	1 422	Lanata		13/09/2005	± 250		
Lempriere Aus (Pty)	101	1.4	671	SA Market Indicator		- MA02	2 406		
ADF	42	0.6	42	Ave SA Market Indicator - Season to Date				2 440	
CPC	0	0.0	0	Ave SA Market Indicator - Previous Season				2 569	

Cape Wools SA

Average Fleece Wool Prices (Spinners and Good Topmaking Styles)

Micron	Clean Price (c/kg.)									Percentage change from previous auction		
	75-95mm			60-70mm			40-55mm			75-95mm	60-70mm	40-55mm
	Hi	Lo	Avg	Hi	Lo	Avg	Hi	Lo	Avg			
17,5							3906	3899	3904			
18,0				4138	4138	4138	3666	3595	3632		0.9	-4.8
18,5				4080	4080	4080	3847	3270	3669		-1.4	-2.2
19,0	3986	3803	3859	3884	3661	3735	3773	3091	3503	-2.9	-2.9	-0.8
19,5	3986	3610	3792	3884	3339	3564	3690	3091	3437	-0.1	-4.7	-0.6
20,0	3675	3338	3456	3713	3226	3386	3527	2890	3198	-5.5	-4.1	-4.4
20,5	3616	3192	3329	3589	3033	3270	3384	2890	3159	-5.6	-4.8	-2.0
21,0	3338	3091	3230	3354	3033	3201	3271	2868	3103	-3.4	-3.7	-1.9
21,5	3282	3089	3176	3268	2768	3134	3249	2846	3056	-3.9	-4.2	-1.9
22,0	3237	3023	3150	3199	2768	3118	3178	2718	3013	-4.3	-4.3	-2.1
22,5	3237	2993	3139	3199	2768	3111	3146	2718	2989	-4.1	-4.0	-1.4
23,0	3211	2993	3125	3188	2993	3094	3147	2718	3002	-3.2	-3.5	-1.0
23,5	3156	2829	3010	3110	2831	3021	3147	2915	3019	-5.5	-3.2	-0.3
24,0	3080	2829	2969	3067	2831	2964	3147	2885	3025	-3.8	-3.2	1.0
24,5	3014	2829	2914	2921	2784	2871	3024	2885	2961	-2.5	-5.1	2.2
25,0	2924	2787	2869	2858	2756	2802	3024	2760	2843	-2.7	-4.8	1.6
25,5	2787	2787	2786	2837	2430	2765	2824	2760	2795		-2.0	2.4
26,0				2837	2430	2755						
26,5				2708	2708	2707						



Cape Wools SA

Average Fleece Wool Prices (Averages Topmaking Styles)

Micron	Clean Price (c/kg.)									Percentage change from previous auction		
	75-95mm			60-70mm			40-55mm			75-95mm	60-70mm	40-55mm
	Hi	Lo	Avg	Hi	Lo	Avg	Hi	Lo	Avg			
17,5												
18,0				4061	4061	4061						
18,5							3794	3549	3627			
19,0	3728	3728	3727	3683	3458	3547	3669	3135	3261	0.5	-3.7	-3.7
19,5	3860	3728	3798	3683	3458	3544	3335	3072	3175	2.4	-3.8	-5.4
20,0	3860	3860	3860	3538	3121	3331	3335	2874	3116	6.5	-5.8	-5.1
20,5	3228	3180	3201	3472	3061	3234	3202	2642	2970	-5.6	-3.1	-6.8
21,0	3228	3059	3117	3296	2839	3118	3202	2481	2887	-4.9	-4.4	-8.0
21,5	3153	3041	3105	3199	2826	3047	3153	2481	2841	-4.2	-4.6	-5.6
22,0	3153	3041	3101	3125	2723	3019	3132	2445	2850	-4.1	-3.9	-3.7
22,5	3153	3043	3097	3109	2697	2982	3041	2445	2722	-3.6	-3.7	-9.0
23,0	3043	2979	2995	3094	2697	2959	2891	2508	2793	-5.6	-4.0	-7.1
23,5	2979	2979	2979	3044	2835	2933	2891	2714	2827	-6.1	-2.5	6.4
24,0	2849	2849	2849	2994	2994	2994				-10.1		
24,5	2849	2849	2849	2994	2994	2994						
25,0	2849	2849	2849									
25,5												
26,0												
26,5												

Other Selected Types/Qualities

Clean Price per Kilogram

Industry News

	Long			Medium		
	19μ	20μ	21μ	19μ	20μ	21μ
Good Quality						
Lambswool	3833	3531	3275	3529	3299	3007
Bellies		3116	3057	3270	2995	2796
Locks				2010	1904	1851
Average Quality						
Lambswool	3657	3321	3132	3296	3016	
Bellies		3105	2896	3067	2949	2717
Locks				2035	1912	1781
Inferior Quality						
Fleecewool		3240	3000	3089		2974
Lambswool		3248	2999	3531	2932	
Bellies		2739	2727	2490	2616	2404
Locks				1900	1602	1569

Eastern Cape farmers turn to game farming

A growing number of Eastern Cape sheep farmers have traded their livestock in for game farming, hoping to cash in on tourists eager for safaris. According to research conducted by the Nelson Mandela Metropolitan University the amount of land dedicated to wildlife ventures across South Africa has increased steadily - up to 25% a year in the Eastern Cape alone.

The Eastern Cape is the largest wool-producing province and last season produced 29,4% of total production.