

CAPE WOOLS SA
Final Wool Sales Report and Price Summary

Auction Date **6-Sep-2006**
Catalogue Number **MB02**



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Market Commentary

WOOL MARKET CLOSES DEARER

PORT ELIZABETH: Wool prices were dearer on the back of strong demand and a weaker rand and Cape Wools' market indicator closed 1,7% higher compared with the previous sale two weeks ago at R30,69/kg (clean). This translates into an 8,8% gain since the opening of the season.

Keen interest from all sectors of the trade for the relatively small offering provided the impetus. The rand was also 2% weaker against the US dollar. Prices for long fleeces were considerably higher, but the inferior types dragged down the overall indicator.

New England Wool SA, which debuted on the South African market at the previous sale, made its mark by paying the highest prices of R62,00/kg for a bale of 17 microns and R57,00/kg for another bale of 16,4 microns. The wool belonged to Adelaide farmer Mr N.C. Pringle.

For long Merino fleeces, the largest gains were in the 21 to 23 micron categories, which were up 3-4%.

A total of 8 697 bales was offered, of which 95% was cleared to the trade. Major buyers were Modiano (1 991 bales), Stucken (1 648 bales), Chargeurs Wool (1 484 bales) Segard Masurel (1 155 bales), and SA Wool Exporters (714 bales).

Average clean prices for quality long (75 - 95mm) Merino fleeces (spinners' and good topmakers' styles) were as follows: 20 microns rose 4,1% to R45,55/kg; 21 microns gained 2,8% at R41,55/kg; 22 microns were 2,5% dearer at R40,10/kg; 23 microns were up 3,1% at R39,84/kg, 24 microns were 1,2% dearer at R38,27/kg and 25 microns closed up a marginal 0,3% at R36,38/kg.

Approximately 8 000 bales have been rostered for 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 | 57.3 | 53.8 | Merino Fleeces | 54.6 | 4 745 | 97.4 | 6 334 | 97.1 |
| Medium Wool | 35.7 | 37.0 | Merino Bellies | 9.7 | 840 | 96.9 | 866 | 97.2 |
| Short Wool and Locks | 6.9 | 9.2 | Merino Lambs | 8.8 | 764 | 90.2 | 1 141 | 99.5 |
| Fine Wool (<20μ) | 21.0 | 22.4 | Merino Locks | 9.8 | 849 | 97.2 | 801 | 100.0 |
| Medium Wool (20 - 22μ) | 60.4 | 62.5 | Other | 17.2 | 1 499 | 88.9 | 3 679 | 96.4 |
| Strong Wool (22 - 24μ) | 17.2 | 13.2 | Total | 100.0 | 8 697 | 95.2 | 12 821 | 97.3 |
| Overstrong (24 - 27μ) | 1.3 | 1.9 | | | | | | |

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 | 3 069 | 3 016 | 1.7 | Cape Town | 1 414 | 1 388 | 98.2 | 2 364 | 2 303 |
| AWEX EMI | 748 | 744 | 0.5 | Durban | 636 | 588 | 92.5 | 725 | 718 |
| R/US Dollar | 7.2061 | 7.0669 | -2.0 | Port Elizabeth | 6 647 | 6 307 | 94.9 | 9 732 | 9 451 |
| R/A Dollar | 5.5307 | 5.4078 | -2.3 | Total | 8 697 | 8 283 | 95.2 | 12 821 | 12 472 |
| R/Euro | 9.2237 | 9.0559 | -1.9 | | | | | | |

Receipts 01/09/2006

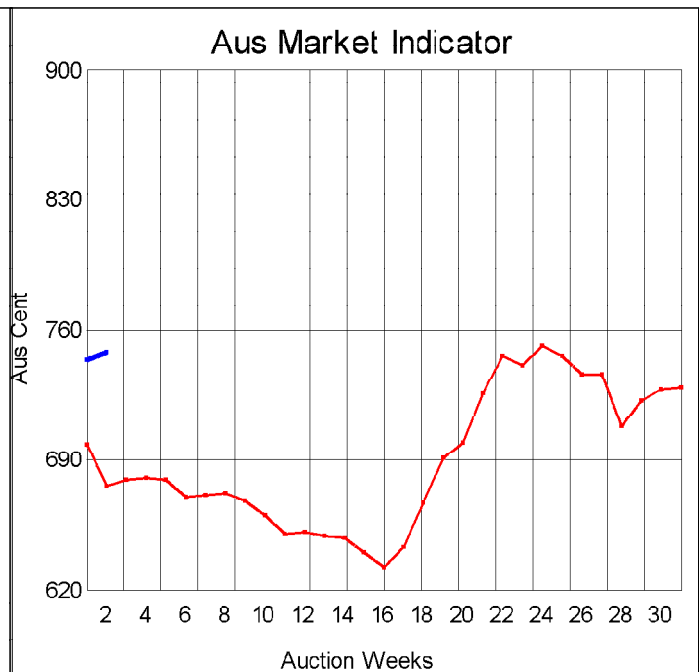
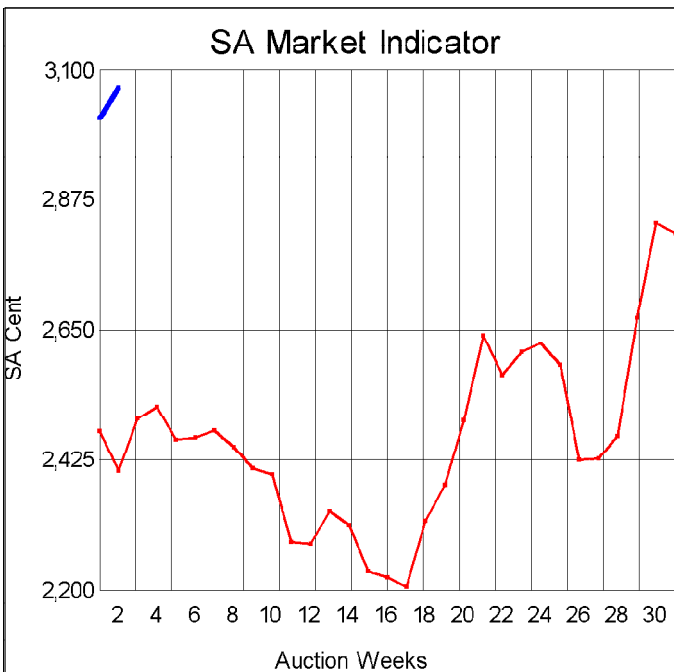
Main Buyers

| Buyers | This Week | % of Sale | To Date | Season to Date (Kg) | | Last Season (Kg) | | % Change |
|---------------------|-----------|-----------|--------------|--|-------------|--------------------------|--------------|--------------|
| | | | | 5 055 067 | | 5 843 270 | | |
| G Modiano | 1 991 | 24.0 | 4 876 | Next Auction | | | | |
| Stucken | 1 648 | 19.9 | 4 078 | Name | Date | Offerings (Bales) | | |
| Chargeurs Wool | 1 484 | 17.9 | 2 704 | S A Wool Exchange | 13/09/2006 | ± 8500 | | |
| Segard Masurel | 1 155 | 13.9 | 2 779 | Van Lill Wool Buyers | 12/09/2006 | ± 410 | | |
| SA Wool Exporters | 714 | 8.6 | 3 391 | Saunders et al. | 12/09/2006 | ± 550 | | |
| Beier Fin | 631 | 7.6 | 1 548 | Lanata | 12/09/2006 | ± 430 | | |
| ADF | 571 | 6.9 | 1 504 | SA Market Indicator | - | MB02 | 3 069 | |
| Lempriere (Aus) Ltd | 55 | 0.7 | 112 | Ave SA Market Indicator - Season to Date | | | | 3 043 |
| New England Wool SA | 34 | 0.4 | 51 | Ave SA Market Indicator - Previous Season | | | | 2 461 |

Cape Wools SA

Average Fleece Wool Prices (Spinners and Good Topmaking Styles)

| Micron | Clean Price (c/kg.) | | | | | | Quantities Sold | | | | | | Percentage change from previous auction | | | | | |
|--------|---------------------|------|-------------|---------|------|-------------|-----------------|------|-------------|---------|-------|---------|---|---------|-------|-------|-------|-------|
| | 75-95mm | | | 60-70mm | | | 40-55mm | | | 75-95mm | | 60-70mm | | 40-55mm | | 75-95 | 60-70 | 40-55 |
| | Hi | Lo | Avg | Hi | Lo | Avg | Hi | Lo | Avg | Lots | bales | Lots | bales | Lots | bales | | | |
| 17,5 | | | | | | | 5175 | 4330 | 4872 | | | | | 2 | 3 | | | |
| 18,0 | 5839 | 5839 | 5839 | 5847 | 5501 | 5630 | 5229 | 4126 | 4581 | 1 | 1 | 5 | 14 | 3 | 5 | 4.7 | 6.3 | -7.8 |
| 18,5 | 5398 | 4931 | 5153 | 5417 | 5166 | 5285 | 5125 | 4710 | 4938 | 3 | 15 | 5 | 8 | 3 | 4 | 1.9 | 3.5 | 10.7 |
| 19,0 | 5202 | 5088 | 5142 | 5143 | 4698 | 5022 | 4761 | 3635 | 4226 | 5 | 17 | 11 | 26 | 11 | 39 | 6.0 | 4.2 | -4.4 |
| 19,5 | 5202 | 4286 | 4715 | 5043 | 4229 | 4660 | 4761 | 3635 | 4151 | 19 | 88 | 47 | 181 | 28 | 111 | 1.0 | 3.2 | -1.7 |
| 20,0 | 4970 | 4286 | 4555 | 4837 | 4214 | 4498 | 4610 | 2848 | 3949 | 25 | 123 | 56 | 249 | 36 | 134 | 4.1 | 5.1 | -0.1 |
| 20,5 | 4621 | 3973 | 4289 | 4599 | 3896 | 4249 | 4189 | 2848 | 3897 | 33 | 220 | 70 | 335 | 41 | 141 | 3.2 | 3.5 | 3.2 |
| 21,0 | 4347 | 3973 | 4155 | 4369 | 3869 | 4138 | 4189 | 3459 | 3884 | 46 | 287 | 82 | 452 | 42 | 139 | 2.8 | 3.3 | 5.1 |
| 21,5 | 4202 | 3760 | 4062 | 4228 | 3803 | 4046 | 4025 | 3493 | 3752 | 49 | 261 | 95 | 568 | 33 | 146 | 2.7 | 3.5 | 2.9 |
| 22,0 | 4120 | 3760 | 4010 | 4144 | 3803 | 4013 | 3946 | 3464 | 3695 | 34 | 184 | 86 | 558 | 30 | 162 | 2.5 | 4.1 | 2.5 |
| 22,5 | 4095 | 3799 | 4012 | 4069 | 3832 | 3980 | 3946 | 3464 | 3700 | 24 | 128 | 46 | 254 | 20 | 99 | 3.2 | 4.0 | 4.0 |
| 23,0 | 4065 | 3799 | 3984 | 4034 | 3705 | 3906 | 3695 | 3280 | 3561 | 14 | 54 | 34 | 124 | 11 | 37 | 3.1 | 2.7 | 1.5 |
| 23,5 | 3979 | 3700 | 3913 | 3984 | 3645 | 3869 | 3631 | 3099 | 3499 | 8 | 23 | 29 | 109 | 13 | 26 | 2.0 | 1.9 | 3.4 |
| 24,0 | 3874 | 3700 | 3827 | 3939 | 3645 | 3858 | 3631 | 3099 | 3442 | 3 | 9 | 15 | 56 | 8 | 13 | 1.2 | 2.0 | 1.7 |
| 24,5 | 3750 | 3638 | 3655 | 3838 | 3545 | 3726 | 3516 | 3277 | 3404 | 2 | 11 | 4 | 10 | 2 | 4 | -0.8 | 0.8 | 2.8 |
| 25,0 | 3638 | 3638 | 3638 | 3791 | 3495 | 3570 | 3011 | 3011 | 3011 | 1 | 9 | 5 | 20 | 1 | 1 | 0.3 | -1.2 | -6.4 |
| 25,5 | | | | 3550 | 3495 | 3526 | 3011 | 3011 | 3011 | | | 4 | 17 | 1 | 1 | | 1.6 | |
| 26,0 | | | | | | | | | | | | | | | | | | |
| 26,5 | 3186 | 3186 | 3186 | | | | | | | 1 | 1 | | | | | | | |



Cape Wools SA

Average Fleece Wool Prices (Averages Topmaking Styles)

| Micron | 75-95mm | | | Clean Price (c/kg.) | | | 40-55mm | | | Quantities Sold | | | | | | Percentage change from previous auction | | |
|--------|---------|------|------|---------------------|------|------|---------|------|------|-----------------|-----|---------|-----|---------|----|---|-------|-------|
| | Hi | Lo | Avg | Hi | Lo | Avg | Hi | Lo | Avg | 75-95mm | | 60-70mm | | 40-55mm | | 75-95 | 60-70 | 40-55 |
| 17,5 | 5383 | 5383 | 5382 | | | | 4976 | 4976 | 4976 | 1 | 1 | | | 1 | 2 | | | |
| 18,0 | | | | 5421 | 5421 | 5421 | | | | | | 1 | 1 | | | | | 6.1 |
| 18,5 | 5209 | 5209 | 5209 | 5158 | 5050 | 5091 | 4040 | 4040 | 4039 | 1 | 8 | 2 | 3 | 1 | 2 | 5.6 | 7.2 | -19.0 |
| 19,0 | 5095 | 4622 | 4915 | 5014 | 5014 | 5013 | 4735 | 3894 | 4190 | 4 | 26 | 1 | 3 | 6 | 10 | 1.4 | 5.3 | 18.2 |
| 19,5 | 5010 | 3955 | 4683 | 5014 | 3176 | 4353 | 4735 | 3614 | 3988 | 10 | 56 | 12 | 43 | 16 | 40 | 3.7 | -1.5 | 2.3 |
| 20,0 | 4739 | 4077 | 4405 | 4767 | 3176 | 4284 | 4377 | 3411 | 3899 | 12 | 67 | 27 | 131 | 13 | 38 | 3.4 | 0.9 | 1.1 |
| 20,5 | 4569 | 4003 | 4245 | 4518 | 3864 | 4219 | 4236 | 3102 | 3753 | 14 | 94 | 33 | 176 | 16 | 48 | 4.3 | 4.4 | -0.5 |
| 21,0 | 4319 | 3799 | 4103 | 4327 | 3816 | 4089 | 3943 | 3102 | 3731 | 17 | 121 | 26 | 121 | 13 | 41 | 3.0 | 4.4 | 2.9 |
| 21,5 | 4118 | 3799 | 4011 | 4159 | 3642 | 4016 | 3914 | 3407 | 3713 | 21 | 171 | 22 | 102 | 10 | 34 | 3.2 | 3.9 | 3.2 |
| 22,0 | 4064 | 3719 | 3973 | 4066 | 3471 | 3920 | 3914 | 3407 | 3713 | 17 | 165 | 16 | 72 | 9 | 32 | 3.1 | 2.4 | 6.0 |
| 22,5 | 4064 | 3719 | 3950 | 4031 | 3398 | 3876 | 3797 | 3407 | 3598 | 9 | 76 | 11 | 48 | 3 | 12 | 3.3 | 3.2 | 4.5 |
| 23,0 | 3934 | 3637 | 3796 | 3810 | 3398 | 3489 | 3778 | 3778 | 3777 | 5 | 24 | 3 | 12 | 1 | 1 | 1.7 | -6.2 | 9.5 |
| 23,5 | 3637 | 3637 | 3637 | 3419 | 3398 | 3414 | | | | 1 | 2 | 2 | 10 | | | -4.2 | -7.7 | |
| 24,0 | 3746 | 3637 | 3712 | 3419 | 3419 | 3418 | | | | 3 | 11 | 1 | 8 | | | -1.2 | -6.9 | |
| 24,5 | 3746 | 3727 | 3729 | | | | | | | 2 | 9 | | | | | -0.3 | | |
| 25,0 | 3746 | 3746 | 3746 | | | | | | | 1 | 1 | | | | | | | |
| 25,5 | 2589 | 2589 | 2589 | | | | | | | 1 | 1 | | | | | | | |
| 26,0 | 2589 | 2589 | 2589 | | | | | | | 1 | 1 | | | | | | | |
| 26,5 | | | | | | | | | | | | | | | | | | |

Other Selected Types/Qualities

Clean Price per Kilogram

Industry News

| | Long | | | Medium | | |
|-------------------------|------|------|------|--------|------|------|
| | 19μ | 20μ | 21μ | 19μ | 20μ | 21μ |
| Good Quality | | | | | | |
| Lambswool | 5011 | 4462 | 4199 | 4329 | 3733 | 3589 |
| Bellies | | 4166 | 3876 | 4057 | 3652 | 3561 |
| Locks | | | | 2276 | 2690 | |
| Average Quality | | | | | | |
| Lambswool | 4907 | 4425 | 4171 | 4249 | 4002 | 3678 |
| Bellies | | 3801 | 3613 | 3859 | 3677 | 3458 |
| Locks | | | | 2867 | 2625 | 2492 |
| Inferior Quality | | | | | | |
| Fleecewool | 4584 | 4110 | 3771 | 4253 | 3658 | 3476 |
| Lambswool | 4997 | 4200 | 3856 | 3927 | | |
| Bellies | | 3773 | 2929 | 3269 | 3218 | 3009 |
| Locks | 2353 | | | 2481 | 2274 | 2323 |

New buying house makes its debut

New England Wool SA (NEW), the Australian-based company specialising in fine wools, has made its debut in South Africa, bringing the total number of buyers at auction to nine.

NEW was founded in August 1990, purchasing approximately 5 000 bales in the first season. It has since established itself as a force in the Australian and New Zealand fine wool industries, purchasing around 30 000 bales of superior quality fine wools in both countries.

According to its South African representative, Ken Reed, the company will concentrate on sound wools of 18,8 microns and finer, measuring at least 38 N/kex. The wool should be on-farm baled on and packed in nylon.