

CAPE WOOLS SA
Final Wool Sales Report and Price Summary

Auction Date **20-Sep-2006**

Catalogue Number **MB04**



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Market Commentary

WOOL MARKET UNCHANGED

PORT ELIZABETH: The market finished unchanged at this week's sale and Cape Wools' market indicator closed at R30,72/kg (clean).

Prices were a mixed bag with some categories marginally lower, while other categories posted solid gains. The currency was fairly stable for most of the morning and only started weakening later in the day.

Fine-wool prices improved on the back of good demand. New England Wool paid a new seasonal record price of R70/kg (grease) for 2 bales of 17,4 micron. It also paid R66,90/kg for 1 bale of 17,6 micron and R64,00 for three bales of 17,7 micron. All the wool belonged to Adelaide farmer Douglas Bennett.

The offering comprised 6 559 bales of which 96% changed hands. Major buyers were Segard Masurel (1 656 bales), Chargeurs Wool (1 314 bales), Modiano (1 083 bales), Stucken (1 048 bales), and SA Wool Exporters (602 bales).

Average price movements for AWEX type fleeces MF3, MF4 and MF5 of 80 mm were as follows: 20 microns were up 1,5% at R45,04; 21 microns dropped 2,2% at R40,25/kg; 22 microns gained 0,8% at R39,09/kg; 23 microns shed 2,6% at R37,79, but there were quotes for 24 and 25 microns in this category due to the limited offering.

Approximately 9 000 bales will come under the hammer at next week's sale.

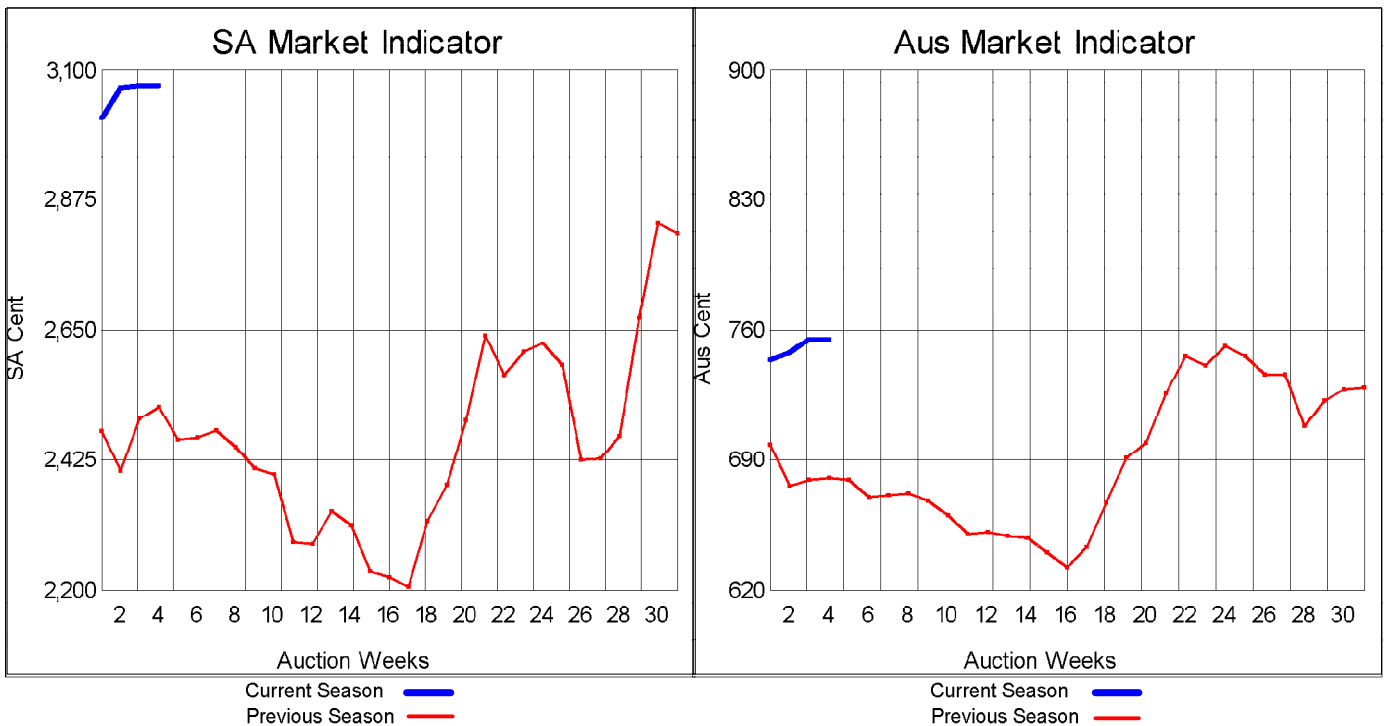
Auction Analysis

Composition of Fleece Offerings				Analysis of Offerings					
Description	% This Week	% Prev Week	Description	This Week			Previous Week		
				%	Bales	% Sold	Bales	% Sold	
Long Wool	65.7	55.1	Merino Fleeces	61.3	4 022	97.3	4 539	95.4	
Medium Wool	30.0	37.8	Merino Bellies	6.2	406	90.1	570	94.0	
Short Wool and Locks	4.3	7.1	Merino Lambs	7.6	500	90.0	717	95.7	
Fine Wool (<20µ)	18.3	20.2	Merino Locks	5.9	387	97.2	489	98.8	
Medium Wool (20 - 22µ)	64.7	64.6	Other	19.0	1 244	92.1	1 501	97.5	
Strong Wool (22 - 24µ)	16.9	13.7	Total	100.0	6 559	95.3	7 816	95.9	
Overstrong (24 - 27µ)	0.1	1.5							
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	3 072	3 072	0.0	Cape Town	1 051	965	91.8	671	619
AWEX EMI	755	755	0.0	Durban	562	505	89.9	633	617
R/US Dollar	7.3493	7.3381	-0.2	Port Elizabeth	4 946	4 781	96.7	6 512	6 262
R/A Dollar	5.5307	5.4611	-1.3	Total	6 559	6 251	95.3	7 816	7 498
R/Euro	9.3123	9.3084	0.0	Receipts 15/09/2006					
Main Buyers				Season to Date (Kg)		Last Season (Kg)		% Change	
Buyers	This Week	% of Sale	To Date	7 038 162		8 478 171		-17.0	
Segard Masurel	1 656	26.5	5 800	Next Auction					
Chargeurs Wool	1 314	21.0	5 683	Name	Date	Offerings (Bales)			
G Modiano	1 083	17.3	7 910	S A Wool Exchange	27/09/2006	± 8 000			
Stucken	1 048	16.8	6 274	Van Lill Wool Buyers	26/09/2006	± 400			
SA Wool Exporters	605	9.7	4 795	Saunders et al.	26/09/2006	± 700			
Beier Fin	410	6.6	2 566	Lanata	26/09/2006	± 200			
Lempriere (Aus) Ltd	94	1.5	221	SA Market Indicator	- MB04		3 072		
New England Wool	41	0.7	106	Ave SA Market Indicator - Season to Date				3 057	
ADF	0	0.0	1 767	Ave SA Market Indicator - Previous Season				2 461	

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Fleece Wool Prices (Spinners and Good Topmaking Styles, AWEX Types MF3, 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																					
18.5			5525	5158	5255									0.9	2.4						
19.0			4997	4882	4476	4378								-1.0	-4.5	-9.2					
19.5	4734	4852	4769	4446	4145	3826							2.5	-0.8	-5.3	-5.7	-2.2				
20.0	4576	4504	4339	4346	4128	3726					0.1	1.5	-0.8	0.2	1.1	0.9					
20.5	4169	4122	4147	4057	3866	3645					-0.7	-1.3	2.1	0.8	-2.4	-4.3					
21.0	4069	4025	4034	3982	3901	3740					-0.3	-2.2	-0.0	0.5	0.8	-1.9					
21.5		4009	3968	3917	3794	3690						0.6	-1.6	-1.8	-0.0						
22.0	3949	3909	3932	3852	3762						-0.3	0.8	0.2	-1.7	1.3						
22.5		3892	3865	3836								0.1	-2.3								
23.0		3779	3798									-3.2	-2.6								
23.5	3766	3799	3734	3724										-1.9							
24.0																					



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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																				
19.0																				
19.5					4381									-5.1						
20.0			4225	4170	4213									-0.3	2.1					
20.5			4067	3795	3849									1.2	-3.9	2.7				
21.0			3774	3967	3852	3749								2.9	1.3	-0.6	3.6			
21.5			3875	3650	3780									2.0	-5.7	0.1				
22.0			3886	3866										4.1	0.2					
22.5			3509																	
23.0			3546																	
23.5																				
24.0																				

Other Selected Types/Qualities

Price per Kilogram

	Long			Medium		
	19μ	20μ	21μ	19μ	20μ	21μ
Good Quality						
Lambswool	4908	4406		4238	4066	3570
Bellies	4353	3830		3868	3812	3628
Locks						
Average Quality						
Lambswool	4939	4269	4136	4044	3790	
Bellies		4159		3806	3671	3748
Locks				2617	2406	2482
Inferior Quality						
Fleecewool	3668	3867	3849		4209	3387
Lambswool	4466			3855		
Bellies	4314	3944		3173	3161	2657
Locks				2399	2437	2467

Industry News

Review of price movement reporting

Cape Wools has reviewed its reporting of average weekly price movements of the various micron and length categories to reflect more accurately price changes within these groups.

This amendment applies only to calculating individual price movements within categories and does not affect the overall indicator.

For wools of 75-mm to 95-mm that were previously grouped together as “long wools”, price movements are now being reported for the individual lengths, for example, 70 mm or 80 mm. The same principle applies to micron groups, for example, 21 micron now comprises wools of 20,8 - 21,2, while 21,5 micron comprises 21,3 - 21,7 microns.

This means that the market report currently reflects price movements in more categories.