

CAPE WOOLS SA
Final Wool Sales Report and Price Summary

Auction Date **4-Oct-2006**

Catalogue Number **MB06**



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Market Commentary

WEAK RAND SUPPORTS WOOL MARKET

PORT ELIZABETH: The weaker rand once again provided some support to the market and Cape Wools' market indicator gained 1,3 % to close at R31,45/kg (clean). This is up 4,3% against the opening level.

The rand has been on a downward spiral since last week and today, slumped to its worst level in 39 months against the US dollar and other major currencies. It was 4,4% lower against the US dollar and down 4,5% against the euro compared with last week.

Due to subdued global demand, market prices did not fully reflect the extent of the currency devaluation. Prices for for most long fleece wools were mixed, with most gains recorded for 80 mm fleeces up to 21 microns.

Of the 6 738 bales offered, 95% were cleared to the trade. Major buyers were Modiano (1 905), Chargeurs Wool (1 334), Stucken (964), Segard Masurel (881) and SA Wool Exporters (787).

Average price movements for AWEX type fleeces MF3, MF4 and MF5 of 70 mm were as follows: 20 microns were unchanged at R45,16/kg; 21 microns were down 0,8% at R 40,88/kg; 22 microns were up 0,4% at R39,92/kg; 23 microns were unchanged at R38,50/kg, but there were no quotes for 24 and 25 microns due to the limited volume.

Approximately ± 9 000 bales have been rostered for next week.

Auction Analysis

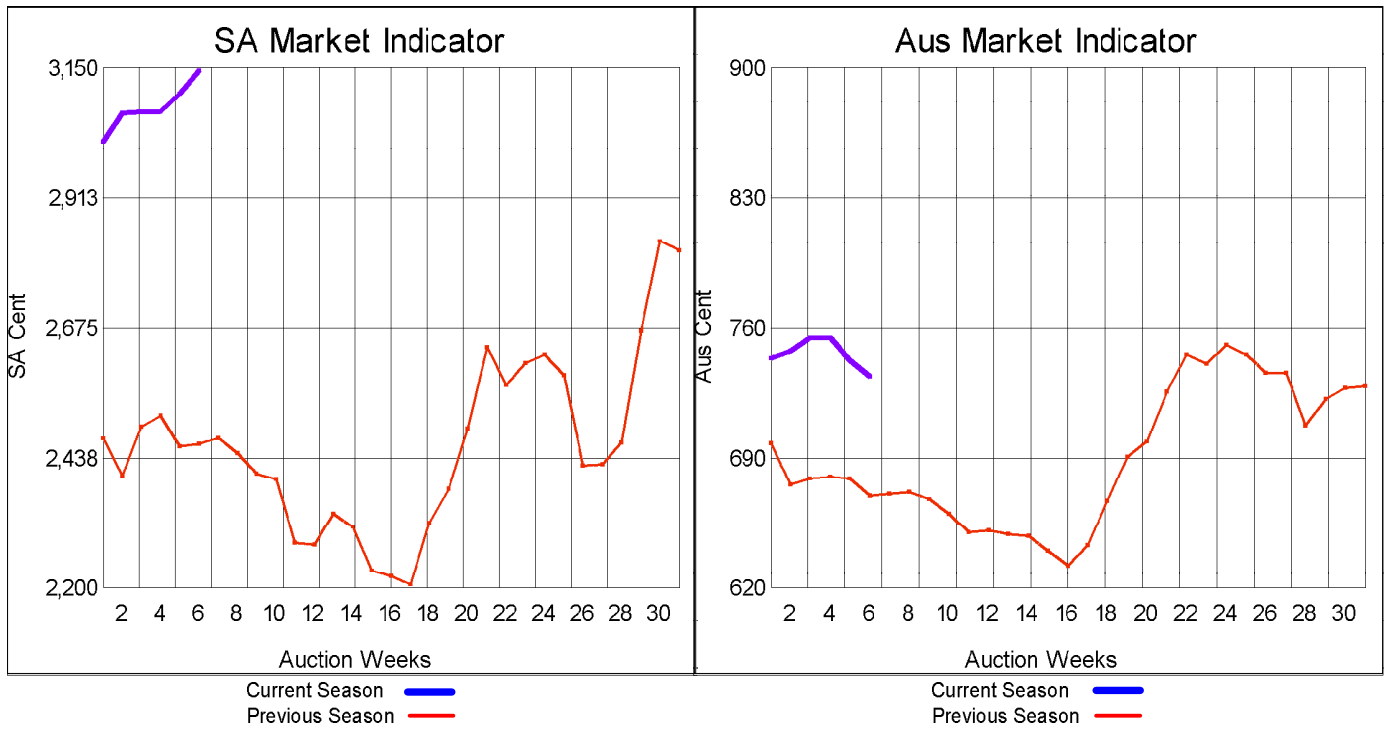
Composition of Fleece Offerings				Analysis of Offerings					
Description	% This Week	% Prev Week	Description	This Week			Previous Week		
				%	Bales	% Sold	Bales	% Sold	
Long Wool	70.9	68.4	Merino Fleeces	55.2	3 722	95.4	3 689	99.4	
Medium Wool	25.1	25.6	Merino Bellies	7.1	477	96.6	466	97.4	
Short Wool and Locks	4.0	6.0	Merino Lambs	8.5	576	95.5	614	95.4	
Fine Wool (<20µ)	24.8	15.6	Merino Locks	4.7	316	98.1	587	100.0	
Medium Wool (20 - 22µ)	61.2	65.0	Other	24.4	1 647	94.6	1 485	97.0	
Strong Wool (22 - 24µ)	13.0	17.8	Total	100.0	6 738	95.4	6 841	98.4	
Overstrong (24 - 27µ)	1.0	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	3 145	3 104	1.3	Cape Town	1 452	1 424	98.1	771	749
AWEX EMI	734	743	-1.2	Durban	385	365	94.8	523	516
R/US Dollar	7.9217	7.5883	-4.4	Port Elizabeth	4 901	4 641	94.7	5 547	5 469
R/A Dollar	5.8909	5.6931	-3.5	Total	6 738	6 430	95.4	6 841	6 734
R/Euro	10.0662	9.6282	-4.5						
				Receipts 29/09/2006					
Main Buyers				Season to Date (Kg)		Last Season (Kg)		% Change	
Buyers	This Week	% of Sale	To Date	9 712 704		11 254 790		-13.7	
G Modiano	1 905	29.6	11 241	Next Auction					
Chargeurs Wool	1 334	20.7	8 961	Name	Date	Offerings (Bales)			
Stucken	964	15.0	8 010	S A Wool Exchange	11/10/2006	± 8 000			
Segard Masurel	881	13.7	7 876	Van Lill Wool Buyers	10/10/2006	± 270			
S A Wool Exporters	787	12.2	6 584	Saunders et al.	10/10/2006	± 600			
Beier Fin	491	7.6	3 554	Lanata	10/10/2006	± 400			
New England Wool	45	0.7	183	SA Market Indicator	-	MB06	3 145		
Lempriere (Aus) Ltd	23	0.4	275	Ave SA Market Indicator - Season to Date			3 080		
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		5713				4514						2.8								
19.0		5175	5070	5093			4076							-0.0				0.8		
19.5		4982	4927	4854	4594	4357	3896					4.8	1.0	0.3	-1.7	-0.9	1.4			
20.0		4661	4656	4516	4380	4098	3916					1.3	2.8	-0.1		2.2	4.0			
20.5		4352	4378	4354	4185	4085	3825					-1.1	1.0	1.4	-0.6	-0.1				
21.0		4208	4171	4088	4081	4018	3788					0.7	0.1	-0.8	-0.8	0.7	1.7			
21.5		4128	4090	4065	4047	3923	3865					1.1	-0.4	0.8	0.5					
22.0		3947	4009	3992	3955	3809						-1.4	-0.4	0.4	0.8	-0.1				
22.5		3978	3938	4003	3923	3833						0.3	-0.2	2.7	0.6	1.8				
23.0		3884	3893	3850								-0.7	0.2	0.0						
23.5																				
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																				
19.0				4730										-1.2						
19.5			4777										2.6							
20.0			4359	4391										2.9						
20.5			4228	4214	4147	3708							0.4	3.8						
21.0			4109	4024									-1.2	0.2						
21.5			3967	3438	3843								0.3		-0.1					
22.0			3915	3781		3713							0.8	-3.8						
22.5			3599	3773	3783									-2.3						
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	5369	4746	4118	4081	3982	
Bellies		4106	3911	4414	3771	3781
Locks				3395	2658	2639
Average Quality						
Lambswool	4974	4519	3925	3886	3905	3576
Bellies	4169	4062	3778	3864	3678	3538
Locks		3372		3070	2610	2762
Inferior Quality						
Fleecewool	4487	4064	3849		3853	
Lambswool	3579		3828			
Bellies		3624	3856	3225	3345	2911
Locks	3295		2246		2381	2214

Industry News

Rand at worst level since mid-June 2003

The rand is on a roller-coaster ride to the chagrin of exporters. It weakened to a fresh 39-month worst level - its worst level since mid-June 2003 - against the US dollar in opening trade on the back of a fall in commodity prices. Traders are expecting the currency to soon be trading above the R8,00 per dollar level.

In early trade the rand was at R7,93 per dollar from yesterday's close of R7,85. It later weakened to touch R8,00 to the dollar level before strengthening somewhat.

It was trading at around R10,00 to the Euro and at around R15,00 against sterling.