

CAPE WOOLS SA
Final Wool Sales Report and Price Summary

Auction Date **11-Oct-2006**
Catalogue Number **MB07**



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Market Commentary

WOOL MARKET EASES SLIGHTLY

PORT ELIZABETH: Wool prices eased slightly following the strengthening of the rand after last week's slump and Cape Wools' indicator was down 1,2% at R31,08/kg (clean).

The rand regained some of its losses and was up 2,5% against the US dollar and 3,8% stronger against the euro compared with the previous week. The rand has lost some 18% of its value over the past 12 months, but firmer demand has lifted the indicator by more than 27% over this period.

Most long fleece wools were slightly cheaper, with prices easing between 1% and 3%.

A high clearance rate was obtained as buyers were taking next week's relatively small offering into account. A total of 8 400 bales were offered of which 95% was sold. Major buyers were Modiano (2 490), Chargeurs Wool (1 640), Segard Masurel (1 460), Stucken (1 054), and SA Wool Exporters (692).

Average price movements for AWEX type fleeces MF3, MF4 and MF5 of 70 and 80 mm were as follows: 19 microns were up 0,8% at R51,25/kg; 20 microns were down 1,2% at R45,31/kg; 21 microns were up 0,7% at R 41,61/kg; 22 microns were 0,5% cheaper at R39,80/kg; 23 microns were up a marginal 0,3% at R38,61/kg, but there were no quotes for 24 and 25 microns due to the limited volume.

Approximately 6 000 bales will come under the hammer next week.

Auction Analysis

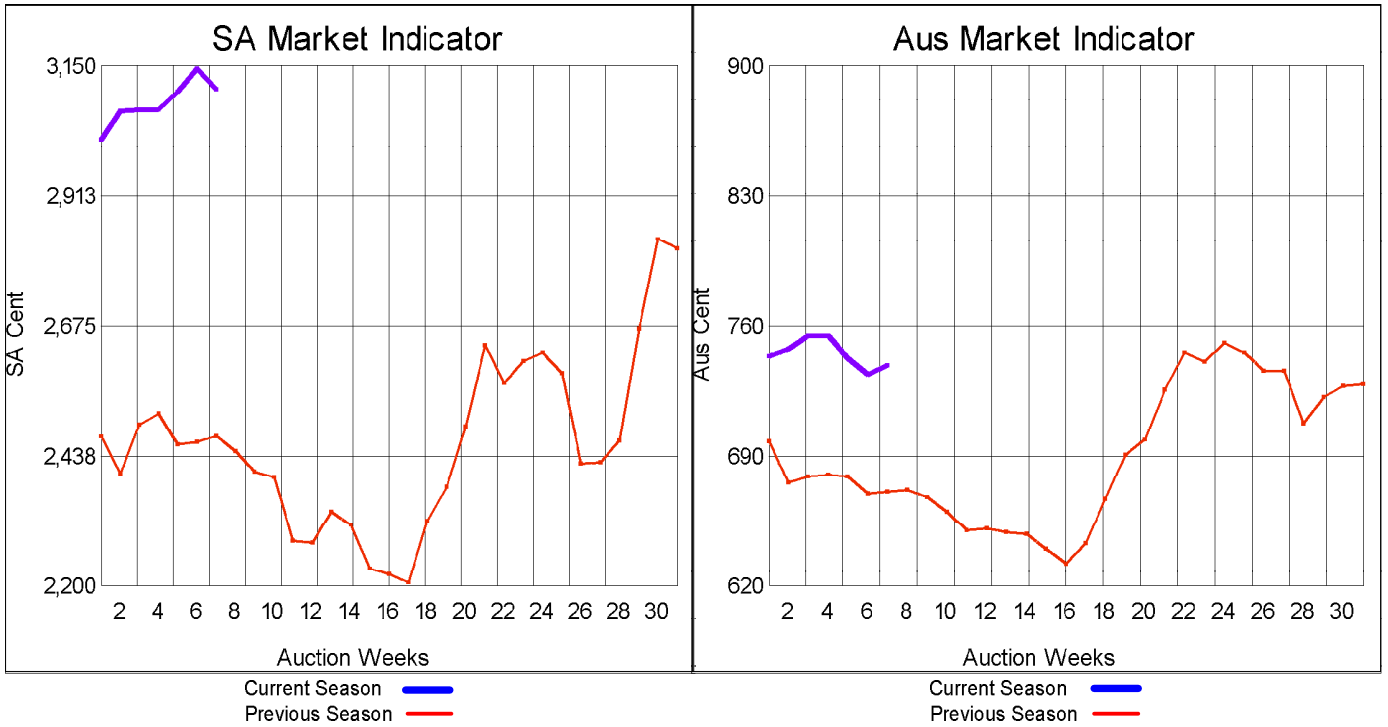
Composition of Fleece Offerings				Analysis of Offerings					
Description	% This Week	% Prev Week	Description	This Week			Previous Week		
				%	Bales	% Sold	Bales	% Sold	
Long Wool	69.6	70.9	Merino Fleeces	55.7	4 676	95.6	3 722	95.4	
Medium Wool	25.2	25.1	Merino Bellies	6.9	577	96.2	477	96.6	
Short Wool and Locks	5.2	4.0	Merino Lambs	8.4	702	89.2	576	95.5	
Fine Wool (<20µ)	21.8	24.8	Merino Locks	8.0	674	97.2	316	98.1	
Medium Wool (20 - 22µ)	61.4	61.2	Other	21.1	1 771	96.5	1 647	94.6	
Strong Wool (22 - 24µ)	15.1	13.0	Total	100.0	8 400	95.4	6 738	95.4	
Overstrong (24 - 27µ)	1.7	1.0							
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	3 108	3 145	-1.2	Cape Town	1 600	1 516	94.8	1 452	1 424
AWEX EMI	739	734	0.7	Durban	556	515	92.6	385	365
R/US Dollar	7.7237	7.9217	2.5	Port Elizabeth	6 244	5 984	95.8	4 901	4 641
R/A Dollar	5.7458	5.8909	2.5	Total	8 400	8 015	95.4	6 738	6 430
R/Euro	9.6885	10.0662	3.8						
Main Buyers				Receipts 06/10/2006					
Buyers	This Week	% of Sale	To Date	Season to Date (Kg)		Last Season (Kg)		% Change	
				11 026 992	12 414 905	-11.2			
G Modiano	2 490	31.1	13 755	Next Auction					
Chargeurs Wool	1 640	20.5	10 607	Name		Date	Offerings (Bales)		
Segard Masurel	1 460	18.2	9 349	S A Wool Exchange		18/10/2006	± 6 000		
Stucken	1 054	13.2	9 133	Van Lill Wool Buyers		-	-		
S A Wool Exporters	692	8.6	7 290	Saunders et al.		-	-		
Beier Fin	523	6.5	4 084	Lanata		-	-		
New England Wool	83	1.0	266	SA Market Indicator		-	MB07		
Lempriere (Aus) Ltd	73	0.9	348	Ave SA Market Indicator - Season to Date		3 084			
ADF	0	0.0	1 767	Ave SA Market Indicator - Previous Season		2 461			

Cape Wools SA

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			6048	5604																
18.5		5359	5538	5205			4181													-6.6
19.0			5181	5069	4791	4325	4126													
19.5		4871	4765	4795	4580	4329	3984													
20.0		4533	4585	4478	4402	4166	3884													
20.5	4274	4364	4280	4298	4152	3981	3857													
21.0	4145	4151	4159	4163	4075	3976														
21.5	4035	4075	4076	3956	4004	3897	3843													
22.0		3997	3971	3990	3912	3824	3688													
22.5	3931	3946	3884	3915	3808	3691														
23.0		3752	3893	3829	3814	3836														
23.5		3836	3868	3789																
24.0	3829	3761	3831																	

* Based on a minimum of 3 lots sold per category



Cape Wools SA

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			4576	4599																-4.4
20.0			4296	4278		3936														-1.5 -2.6
20.5			4114	4079	4075	3982	3542													-2.8 -3.3 -1.8 6.9
21.0		4078	4081	3972	3888															-0.7 -1.3
21.5			4009	3921		3658	3401													1.0 12.3
22.0				3809	3796															0.8
22.5				3831	3612															1.5 -4.7
23.0			3799																	
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	5166	4592	4384	3967	3833	4032
Bellies	4315	3897	3879	4324	3807	3629
Locks			3051	3331	3116	2912
Average Quality						
Lambswool	4995	4411	3974	4104	3595	3907
Bellies		4061	3741	3837	3614	3409
Locks		3267		3425	3036	2749
Inferior Quality						
Fleecewool	3900	4105	3806		3844	3696
Lambswool	4684		4088	3857		
Bellies	4188	3857	2079	3970	3522	2863
Locks	2515	2467	2520	2298	2589	2388

Industry News

RECEIPTS DOWN, BUT GROWING CONDITIONS IMPROVED

Wool receipts into brokers' stores are considerably lower compared with last season. To date, receipts are at 11 million kg, down 11% on last season.

This can be attributed to widespread rain in August over most producing areas, which delayed shearing. The rain was followed by a spell of cold weather and unexpected snowfalls in large areas, which further disrupted shearing patterns, particularly in the Eastern Cape, the largest wool-producing area.

Producers say growing conditions are at their best in years and there is ample grazing available.

Brokers say receipts are picking up and more wool is expected to come into the system over the coming weeks.