

CAPE WOOLS SA
Final Wool Sales Report and Price Summary

Auction Date **18-Oct-2006**
Catalogue Number **MB08**



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Market Commentary

WOOL MARKET POSTS SOLID GAINS

PORT ELIZABETH: After last week's drop, the wool market has posted solid gains despite a firmer rand and Cape Wools' indicator rose 2,1% to R31,73/kg (clean).

The rand has regained more lost ground since last week's sale and was up 1,7% against the dollar and rose 3,7% against the euro. Keen competition in the auction room ensured considerable gains across most Merino micron categories, particularly in the medium to stronger types with 21 to 23 microns posting increases of 2% to almost 3%.

A new seasonal record price of R70,20/kg (greasy) was paid for two bales of 17,1 microns offered by Adelaide family enterprise, the Moorcroft Brothers, topping the previous record by 20c/kg. The Moorcrofts also obtained R64/kg for five bales of 16,8 microns. The buyer was New England Wool.

A total of 6 290 bales were offered of which 98% changed hands. Major buyers were Modiano (3 026), Chargeurs Wool (896), SA Wool Exporters (548), Beier Finances (522), and Segard Masurel (513).

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 R51,21/kg; 20 microns were 0,5% dearer at R46,08/kg; 21 microns gained 2,4% at R42,28/kg; 22 microns were up 2% at R40,81/kg; 23 microns rose 2,8% at R39,79 /kg, but there were no quotes for 24 and 25 microns due to the limited volume.

Approximately 10 500 bales will be offered 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	74.7	69.6	Merino Fleeces	54.1	3 404	98.4	4 676	95.6
Medium Wool	18.0	25.2	Merino Bellies	6.3	398	98.2	577	96.2
Short Wool and Locks	7.2	5.2	Merino Lambs	10.4	652	91.7	702	89.2
Fine Wool (<20μ)	21.7	21.8	Merino Locks	4.3	268	100.0	674	97.2
Medium Wool (20 - 22μ)	62.5	61.4	Other	24.9	1 568	98.1	1 771	96.5
Strong Wool (22 - 24μ)	15.2	15.1	Total	100.0	6 290	97.7	8 400	95.4
Overstrong (24 - 27μ)	0.6	1.7						

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	3 173	3 108	2.1	Cape Town	1 398	1 381	98.8	1 600	1 516
AWEX EMI	752	739	1.8	Durban	795	777	97.7	556	515
R/US Dollar	7.5946	7.7237	1.7	Port Elizabeth	4 097	3 985	97.3	6 244	5 984
R/A Dollar	5.7254	5.7458	0.4	Total	6 290	6 143	97.7	8 400	8 015
R/Euro	9.3256	9.6885	3.7						

Receipts 13/10/2006

Main Buyers				Season to Date (Kg)	Last Season (Kg)	% Change
Buyers	This Week	% of Sale	To Date	12 451 910	13 926 829	-10.6
G Modiano	3 026	49.3	16 831			
Chargeurs Wool	896	14.6	11 594			
STD Wool	548	8.9	7 889			
Beier Fin	522	8.5	4 620			
United Wool	513	8.4	9 873			
Stucken	494	8.0	9 649			
New England Wool	81	1.3	360			
Fibres Int	63	1.0	414			
ADF	0	0.0	1 767			

Next Auction

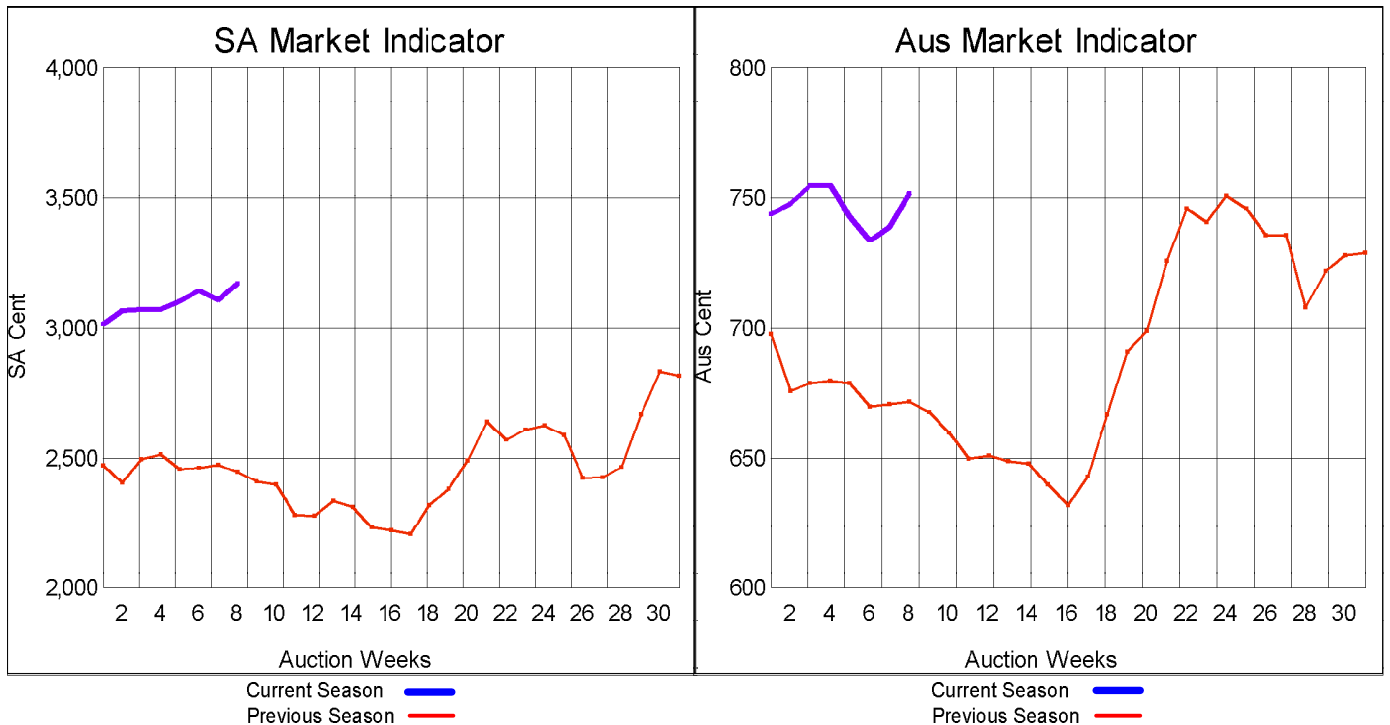
Name	Date	Offerings (Bales)
S A Wool Exchange	25/10/2006	± 9 000
Van Lill Wool Buyers	24/10/2006	± 500
Saunders et al.	24/10/2006	± 500
Lanata	24/10/2006	± 400
SA Market Indicator	-	MB08
Ave SA Market Indicator - Season to Date		3 095
Ave SA Market Indicator - Previous Season		2 461

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			6199											2.5						
18.5		5626	5638	5457								4.7	1.7	4.6						
19.0			5112	5130	4669								-1.3	2.1	-2.6					
19.5		4759	4881	4866		4284						-2.3	1.8	1.6		-0.6				
20.0		4812	4615	4601	4354	4131	3930					5.8	0.6	1.2	-1.1	-1.2	1.2			
20.5		4432	4483	4380	4189		3859					1.5	4.1	1.3	0.5		0.1			
21.0		4245	4261	4195	4093	4056	3938					2.2	2.4	0.5	0.4	2.0				
21.5		4161	4173	4134		3837	3940					2.3	2.2	4.4		-1.6	2.5			
22.0		4138	4049	4114		3899						3.4	1.8	3.1		1.9				
22.5		4004	4044	4028								1.4	2.9	2.1						
23.0			3962	3997									1.6	3.9						
23.5		3978										1.9								
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				4945																
19.5			4781																	
20.0				4388										2.0						
20.5			4154	4301	4065								0.1	6.2	-0.2					
21.0			4171	4192		3971							1.5	3.6						
21.5			3910	4013									-3.2	1.5						
22.0		3960		3912										2.2						
22.5			3829	3860										0.8						
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	4876	4433	4268	4170	3784	3929
Bellies	4557	4110	3944	4411	4061	3716
Locks		2964	2967	3394	2950	2780
Average Quality						
Lambswool	4807	4797	4123	3966	3782	3738
Bellies	4520	4317	4080	3967	3858	3683
Locks	3150	3268		3051	2960	2594
Inferior Quality						
Fleecewool	4736	3463	3581	4306		2632
Lambswool		3771				3094
Bellies		4002	3207	3862	3647	3250
Locks			2450	2782	2445	2521

Industry News

Switch over to nylon packs

Cape Wools chairman Hendrik van Zyl has reminded producers that polyethylene packs will no longer be accepted by the wool trade as from 1 July 2007. Up to now, only a small percentage of clip has been packed in nylon.

This follows the passing of a motion at a Wool Forum meeting earlier this year to switch to nylon packs in the 2007/08 season. The Forum represents the various affected groups in the industry.

It was agreed at the meeting that the 2006/07 season would serve as a phasing-out period to allow growers and brokers time to get rid of the polyethylene packs in stock and prepare for the switch-over.