

CAPE WOOLS SA
Final Wool Sales Report and Price Summary

Auction Date **14-Dec-2005**
Catalogue Number **MA16**



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Market Commentary

NO CHRISTMAS CHEER FOR WOOLGROWERS

PORT ELIZABETH: The final sale of 2005 saw the market again tracking the exchange rate, with Cape Wools' market indicator softening 0,5% in line with the stronger rand to close at R22,22/kg (clean). The indicator currently is at a five-year low. At the same sale in December 2 000, it also closed at R22,22/kg. By December 2001, it had risen to R37,24/kg and jumped to R45,71/kg the following December.

Latest forecasts, however, suggest increased demand in 2006 as the economic fundamentals in major wool consuming countries are improving. There is also evidence of a relatively empty pipeline at scouring and topmaking stage.

A total of 8 777 bales was offered of which 89% was sold. Major buyers were SA Wool Exporters (1 931 bales), Modiano (1 653 bales), Chargeurs Wool (1 545 bales), and Stucken (1 231 bales). Average clean prices for good quality long (75 - 95mm) Merino fleeces (spinners' and good topmakers' styles) were as follows: 20 microns shed 2,6% at R32,30/kg, 21 microns were up 0,6% at R30,84 /kg, 22 microns were unchanged at R30,27/kg, 23 microns were down 0,6% at R29,89/kg, 24 microns dropped 1% to R29,31/kg, and 25 microns (only 2 lots) were down 1,8% to close at R28,20 /kg.

The next sale will take place on 11 January 2006 when approximately 8 000 bales will be offered.

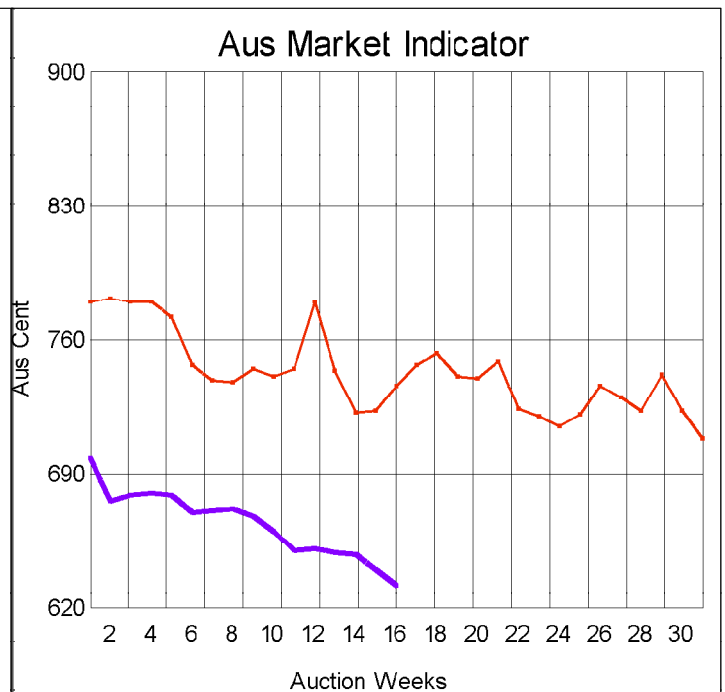
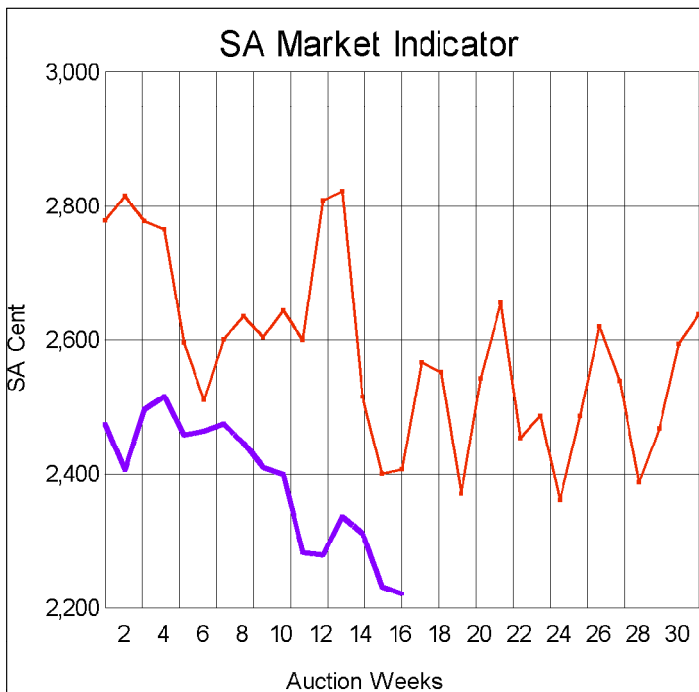
Auction Analysis

Composition of Fleece Offerings				Analysis of Offerings					
Description	% This Week	% Prev Week	Description	This Week			Previous Week		
				%	Bales	% Sold	Bales	% Sold	
Long Wool	41.8	48.1	Merino Fleeces	32.6	2 865	92.7	3 502	92.4	
Medium Wool	49.2	45.9	Merino Bellies	7.9	697	85.8	730	87.9	
Short Wool and Locks	8.9	6.1	Merino Lambs	6.7	587	89.9	695	84.6	
Fine Wool (<20µ)	16.2	11.6	Merino Locks	7.8	686	97.8	630	96.5	
Medium Wool (20 - 22µ)	56.2	56.1	Other	44.9	3 942	84.9	3 703	82.0	
Strong Wool (22 - 24µ)	25.0	29.4	Total	100.0	8 777	88.9	9 260	87.6	
Overstrong (24 - 27µ)	2.6	3.0							
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	2 222	2 232	-0.5	Cape Town	645	620	96.1	911	866
AWEX EMI	632	640	-1.3	Durban	2 334	1 997	85.6	1 870	1 657
R/US Dollar	6.2562	6.2868	0.5	Port Elizabeth	5 798	5 185	89.4	6 479	5 588
R/A Dollar	4.7266	4.6993	-0.6	Total	8 777	7 802	88.9	9 260	8 111
R/Euro	7.5169	7.3877	-1.7						
				Receipts 09/12/2005					
Main Buyers				Season to Date (Kg)		Last Season (Kg)		% Change	
Buyers	This Week	% of Sale	To Date	24 090 844		24 606 514		-2.1	
SA Wool Exporters	1 931	24.8	14 720	Next Auction					
G Modiano	1 653	21.2	34 279	Name	Date	Offerings (Bales)			
Chargeurs Wool	1 545	19.8	22 070	S A Wool Exchange	11/01/2006	± 8 000			
Stucken	1 231	15.8	21 908	Van Lill Wool Buyers					
United Wool	578	7.4	12 824	Saunders et al.					
Beier Fin	484	6.2	10 421	Lanata					
ADF	380	4.9	9 225	SA Market Indicator	-	MA16	2 222		
Lempriere (Aus) Ltd	0	0.0	715	Ave SA Market Indicator - Season to Date			2 388		
				Ave SA Market Indicator - Previous Season			2 568		

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	Lots	bales	Lots	bales
18,0				4095	4057	4072	3411	3257	3300			2	5	2	4			7.6	-12.7
18,5	3989	3989	3989	3928	3928	3928	3866	3397	3720	1	16	1	3	2	4	4.0	2.0	14.3	
19,0	3675	3675	3675	3663	3557	3615	3326	3109	3202	1	1	3	11	3	5	-0.9	-0.9	1.0	
19,5	3675	3133	3484	3663	3152	3334	3204	2799	3032	9	23	21	88	14	44	1.3	-2.4	-2.2	
20,0	3502	3047	3230	3482	2876	3206	3189	2529	2886	11	40	40	160	29	104	-2.6	1.5	-3.5	
20,5	3319	2968	3117	3246	2862	3080	3113	2529	2836	23	143	36	132	26	96	-1.1	-0.5	-1.5	
21,0	3165	2712	3084	3172	2862	3016	2972	2188	2754	28	154	30	124	21	64	0.6	-0.6	-3.3	
21,5	3094	2712	3040	3098	2686	3009	2972	2188	2687	21	76	48	223	33	108	-0.5	0.0	-4.5	
22,0	3094	2873	3027	3087	2547	2966	2917	2188	2661	20	75	51	224	27	114	-0.2	-1.3	-4.9	
22,5	3081	2873	2993	3087	2547	2951	2879	2256	2649	24	113	40	193	22	87	-0.0	-1.6	-4.5	
23,0	3081	2896	2989	3075	2735	2968	2879	2426	2701	20	99	21	106	20	66	-0.6	-0.6	-1.5	
23,5	3051	2906	2963	3054	2766	2950	2797	2530	2652	10	47	14	45	12	41	-0.9	-0.5	-3.6	
24,0	2993	2906	2931	3026	2841	2939	2665	2530	2556	4	14	12	31	4	13	-1.0	2.4	-2.7	
24,5	2993	2801	2841	3026	2781	2850	2786	2786	2785	4	26	8	41	1	1	-3.7	-0.9	7.8	
25,0	2881	2801	2820	2979	2781	2831	2786	2433	2499	2	22	5	33	4	6	-1.8	0.1	-6.2	
25,5	2801	1912	2725	2799	2781	2782	2579	2433	2468	2	19	2	23	3	5	-2.9	3.7	-11.3	
26,0	1912	1912	1912				2433	2433	2433	1	2			1	3	-31.7		-12.4	
26,5	1912	1912	1912							1	2								



Current Season ———
Previous Season ———

Current Season ———
Previous Season ———

Cape Wools SA

Average Fleece Wool Prices (Averages 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				
18,0				3644	3516	3592	3032	3032	3031			2	4	1	1			10.2	-15.7
18,5				3351	3323	3348	3179	2860	2966			2	8	2	6				-11.8
19,0				3656	3340	3561	3222	3145	3169			4	16	3	4				22.9
19,5				3656	2852	3359	3253	2526	2977			12	39	12	25			10.9	4.3
20,0				3349	2821	2997	3253	2526	2907			15	63	14	35			0.1	10.8
20,5	3011	3009	3010	3093	2723	2934	3042	2224	2603	2	5	22	90	19	71	2.0	-0.9	-1.1	
21,0	3011	3000	3004	3097	2399	2908	2859	2224	2495	3	11	32	132	15	73	2.6	0.1	-6.6	
21,5	3059	2711	2984	3097	2399	2873	2844	2244	2511	7	19	36	169	13	56	2.4	0.0	-5.0	
22,0	3059	2711	2957	3009	2328	2799	2750	2106	2462	8	29	25	125	12	44	1.4	-1.8	-5.2	
22,5	2994	2926	2950	2951	2282	2723	2724	1985	2191	5	21	19	112	9	50	1.7	-4.7	-16.0	
23,0	2985	2985	2984	2951	2282	2729	2533	1985	2099	1	3	11	68	3	33	2.0	-3.6	-18.3	
23,5				2825	2481	2627	1985	1985	1984			2	3	1	25			-6.5	-22.9
24,0	2772	2772	2771							1	1							-3.2	
24,5	2772	1977	2301							2	3							-15.1	
25,0	2772	1977	2301							2	3								
25,5																			
26,0																			
26,5																			

Other Selected Types/Qualities

Clean Price per Kilogram

	Long			Medium		
	19μ	20μ	21μ	19μ	20μ	21μ
Good Quality						
Lambswool	3739	3307		3234	2928	2683
Bellies		2817			2486	2411
Locks				1944	1777	1372
Average Quality						
Lambswool	3620	3131	2700	3170	2696	2602
Bellies		2904	2796	2525	2375	2370
Locks				1487	1434	1515
Inferior Quality						
Fleecewool			1343	3067	2669	2224
Lambswool	2605	3162	2736	2230	1866	1100
Bellies		2519	1481		1955	2027
Locks				1390	1368	

Industry News

Changes in the Australian micron profile

Australian test results shows that Australian wool producers continue to move away from 23 and 24 micron wool production. For the period July to November 2004, total test volumes in the 22,6 to 24,5 micron range were 21,94 mkg greasy, but for the same period in 2005 this has fallen to 17,84 mkg greasy, a 4,1 mkg decline.

Adjusting for the decline in overall test volumes between these two periods, 23 and 24 micron wool has declined by 12% and 17% more than the average respectively.

The increased prevalence of wool in the 24,6 to 28,5 micron range, up a 'normalised' 7% and 8% respectively, highlight the changing management decisions by growers towards an increasing focus on meat sheep breeds.

For changes in the national micron profile below 21 micron, the exceptional pasture growing season throughout 2005 in Western Australia (WA) has resulted in the volume of fine wool (19,5 micron & finer) tested in the first five months falling, down 27,7% year-on-year in this state.

Source: The Woolmark Company