

CAPE WOOLS SA
Final Wool Sales Report and Price Summary

Auction Date **11-Jan-2006**
Catalogue Number **MA17**



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Market Commentary

STRONG RAND HAMPERS WOOL MARKET

PORT ELIZABETH: The wool market held up fairly well despite the stronger currency and Cape Wools' indicator was down a slight 0,7% to close at R22,06/kg (clean).

Although the rand had gained 2,4% against the US dollar and 2% against the euro compared with the previous sale, good competition from certain sectors of the trade helped to support the market.

A total of 8 499 bales was offered of which 91% was sold. Major buyers were Modiano (2 381 bales), Chargeurs Wool (1 586 bales), Stucken (1 456 bales) and SA Wool Exporters (1 359 bales).

Average clean prices for good quality long (75 - 95mm) Merino fleeces (spinners' and good topmakers' styles) were as follows: there were no quotes for 19, 20 and 25 microns due to the limited volumes, 21 microns were down 2,9% at R29,96 /kg, 22 microns shed 1,7% at R29,76/kg, 23 microns were down 1,9% at R29,32/kg, and 24 microns dropped 0,5% to R29,16/kg.

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

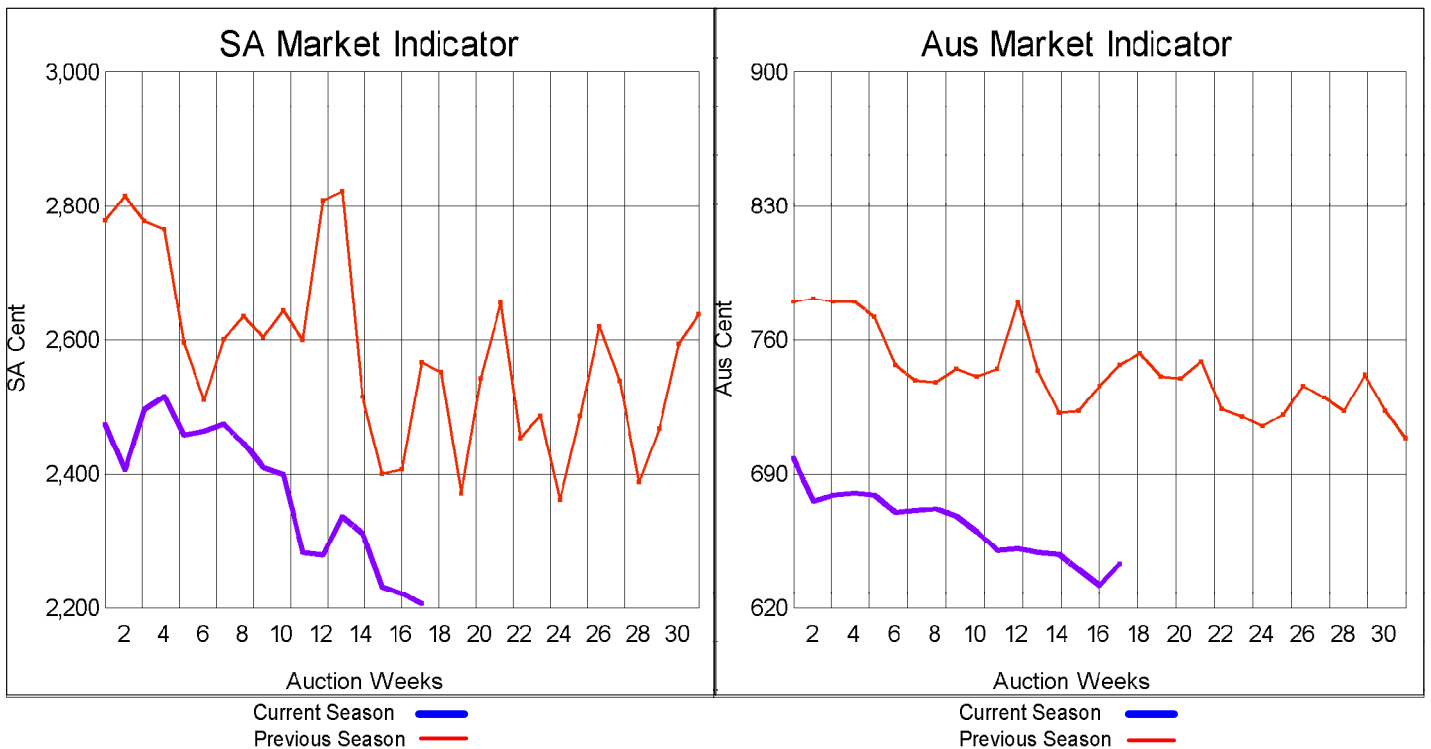
Auction Analysis

Composition of Fleece Offerings				Analysis of Offerings					
Description	% This Week	% Prev Week	Description	This Week			Previous Week		
				%	Bales	% Sold	Bales	% Sold	
Long Wool	27.8	41.8	Merino Fleeces	29.6	2 516	90.6	2 865	92.7	
Medium Wool	64.7	49.2	Merino Bellies	7.9	668	93.4	697	85.8	
Short Wool and Locks	7.5	8.9	Merino Lambs	5.7	487	94.5	587	89.9	
Fine Wool (<20µ)	8.2	16.2	Merino Locks	5.6	478	94.6	686	97.8	
Medium Wool (20 - 22µ)	63.4	56.2	Other	51.2	4 350	90.9	3 942	84.9	
Strong Wool (22 - 24µ)	27.4	25.0	Total	100.0	8 499	91.4	8 777	88.9	
Overstrong (24 - 27µ)	1.0	2.6							
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	2 206	2 222	-0.7	Cape Town	1 025	767	74.8	645	620
AWEX EMI	643	632	1.7	Durban	2 773	2 602	93.8	2 334	1 997
R/US Dollar	6.1057	6.2562	2.4	Port Elizabeth	4 701	4 402	93.6	5 798	5 185
R/A Dollar	4.5796	4.7266	3.1	Total	8 499	7 771	91.4	8 777	7 802
R/Euro	7.3645	7.5169	2.0						
Main Buyers				Receipts 06/01/2006					
Buyers	This Week	% of Sale	To Date	Season to Date (Kg)		Last Season (Kg)		% Change	
				27 289 673	27 384 573	-0.3			
G Modiano	2 381	30.6	36 676	Next Auction					
Chargeurs Wool	1 586	20.4	23 770	Name	Date	Offerings (Bales)			
Stucken	1 456	18.7	23 410	S A Wool Exchange	18/01/2006	± 9 000			
SA Wool Exporters	1 359	17.5	16 112	Van Lill Wool Buyers					
Beier Fin	574	7.4	11 057	Saunders et al.					
United Wool	413	5.3	13 248	Lanata					
Lempriere (Aus) Ltd	2	0.0	717	SA Market Indicator	-	MA17	2 206		
ADF	0	0.0	9 225	Ave SA Market Indicator - Season to Date			2 377		
				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		
17,5																					
18,0				3671	3671	3671						1	3						-9.9		
18,5	3824	3824	3824				3600	3330	3375	1	2			3	11				-4.1	-9.3	
19,0	3647	3647	3646	3558	3558	3558	3285	3195	3233	1	3	1	1	2	11				-0.8	-1.6	1.0
19,5	3442	3442	3441	3558	3113	3300	3273	2873	3045	1	3	10	18	6	23				-1.2	-1.0	0.4
20,0	3442	3187	3350	3401	2968	3149	3273	2696	2897	2	5	19	66	24	96				3.7	-1.8	0.4
20,5	3187	3018	3056	3226	2903	3087	3049	2498	2842	2	8	20	81	39	157				-2.0	0.2	0.2
21,0	3058	2882	2996	3143	2696	3003	3049	2498	2834	4	16	23	111	44	218				-2.9	-0.4	2.9
21,5	3058	2710	2967	3100	2696	2958	3001	2312	2796	8	31	23	159	46	268				-2.4	-1.7	4.1
22,0	3058	2710	2976	3043	2700	2948	2914	2312	2724	10	65	20	142	38	171				-1.7	-0.6	2.4
22,5	3023	2798	2964	3004	2666	2929	2896	2312	2662	9	60	15	73	40	162				-1.0	-0.8	0.5
23,0	3023	2798	2932	2983	2666	2915	2896	2331	2640	9	45	13	45	25	89				-1.9	-1.8	-2.3
23,5	2987	2917	2942	2969	2666	2899	2896	2378	2616	4	18	10	32	16	77				-0.7	-1.7	-1.4
24,0	2917	2917	2916	2920	2872	2888	2719	2376	2555	1	4	3	9	10	55				-0.5	-1.7	-0.0
24,5							2675	2376	2422					2	11						-13.0
25,0							2544	2255	2479					2	4						-0.8
25,5	2649	2649	2649				2544	2255	2471	1	4			3	5				-2.8		0.1
26,0	2649	2649	2649	2619	2619	2618	2439	2439	2438	1	4	1	1	1	1				38.6		0.2
26,5				2619	2619	2618						1	1								



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			
17,5							3562	3562	3562					1	3			
18,0							3526	3526	3525					1	2			16.3
18,5							3092	3092	3091					1	1			4.2
19,0				3622	3404	3540	3296	2964	3112			5	8	3	7			-0.6
19,5				3621	3009	3292	2978	2621	2846			7	23	5	13			-2.0
20,0				3308	2855	3104	2959	2621	2774			11	40	5	21			3.6
20,5	3080	2888	3001	3074	2523	2881	2940	2191	2635	4	18	21	88	10	35	-0.3	-1.8	1.2
21,0	3080	2869	2994	3004	2479	2834	2940	2191	2645	6	20	30	136	21	79	-0.3	-2.5	6.0
21,5	2959	2636	2848	2933	2479	2807	2820	2324	2653	5	13	29	164	23	99	-4.6	-2.3	5.7
22,0	2926	2636	2834	2933	2349	2785	2809	2324	2598	4	18	26	151	12	44	-4.2	-0.5	5.5
22,5	2922	2673	2841	2878	2349	2766	2666	2487	2582	6	22	15	69	6	24	-3.7	1.6	17.9
23,0	2922	2673	2845	2878	2498	2731	2806	2487	2575	4	13	10	45	4	10	-4.7	0.1	22.7
23,5				2735	2498	2621	2806	2806	2805			6	21	1	2			-0.2
24,0				2701	2646	2685						2	6					
24,5																		
25,0																		
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	3639	3244	3030	3150	2840	2448
Bellies		2825	2842	2833	2836	2490
Locks				1871	1729	1591
Average Quality						
Lambswool	3497	2999		2908	2846	2452
Bellies		3043		2912	2472	2475
Locks				1636	1488	1584
Inferior Quality						
Fleecewool	3140	2894	2775		2495	2402
Lambswool	2818			2966	2509	2372
Bellies				2894	2256	2140
Locks					1450	1318

Industry News

WOOL TEST MARKETING PROJECT

The initial phase of the Wool Test Marketing Project (TMP) will be launched in the United States in fall/winter 2006.

The TMP, which began in October 2005, is a collaborative project between the three peak wool industry bodies - Australian Wool Innovation Ltd, the International Wool Textiles Organisation (IWTO) and Australian Wool Services (AWS/Woolmark).

The bodies joined forces in May 2005, contributing US \$6,6 million in funding and resources for the ground-breaking project to identify those manufacturers, retailers and end consumers who will stimulate demand for fine and superfine wool apparel.

The project's core aim is to test the degree to which consumer marketing can have a measurable, positive impact on wool volumes. This campaign is focused on increasing the demand for "comfortable" wool apparel at the consumer level.

Following the US roll-out, during March 2007, a post-pilot evaluation will be conducted.