

**CAPE WOOLS SA**  
**Final Wool Sales Report and Price Summary**

Auction Date **8-Nov-2006**  
Catalogue Number **MB11**



Telephone Number 27-41-4844301  
Fax number 27-41-4846792  
Email [stats@capewools.co.za](mailto:stats@capewools.co.za)  
Website [www.capewools.co.za](http://www.capewools.co.za)

**Market Commentary**

**DOWNWARD CORRECTION IN WOOL MARKET**

**PORT ELIZABETH:** After surging 14% over the past three weeks, this week saw a downward correction in wool prices and Cape Wools' market indicator shed 5,3% to close at R33,53/kg (clean). This nevertheless is up 11% on the opening level and 47% higher than at the same sale last season.

The downward trend was in line with the Australian market, which lost steam after last Wednesday's 5% gain – the Eastern Market Indicator's biggest one-day rise in four years. It is thought that Australia's large offerings predicted for the next few weeks may have had a dampening effect.

The prices of all micron types were down.

A total of 9 988 bales were offered of which 86% changed hands. Major buyers were Modiano (2 747 bales), SA Wool Exporters (1 720 bales), Segard Masurel (1 499 bales), Stucken (1 197 bales) and Beier Finances (757 bales).

Average price movements for AWEX type fleeces MF3, MF4 and MF5 of 70 and 80 mm were as follows: 19 microns were down 3,2% at R53,34 /kg; 20 microns were 5,8% cheaper at R49,49/kg; 21 microns dropped 5,4% at R46,38/kg; 22 microns shed 5,8% at R45,05/kg; 23 microns were 5,3% cheaper at R43,30/kg, but there were no quotes for 24 and 25 microns.

Approximately 9 000 bales will be offered at next week's sale.

**Auction Analysis**

<b>Composition of Fleece Offerings</b>			<b>Analysis of Offerings</b>					
<b>Description</b>	<b>% This Week</b>	<b>% Prev Week</b>	<b>Description</b>	<b>This Week</b>			<b>Previous Week</b>	
				<b>%</b>	<b>Bales</b>	<b>% Sold</b>	<b>Bales</b>	<b>% Sold</b>
Long Wool	69.8	69.7	Merino Fleeces	48.8	4 874	80.8	4 501	98.2
Medium Wool	24.5	24.0	Merino Bellies	5.6	561	91.3	518	95.9
Short Wool and Locks	5.8	6.3	Merino Lambs	9.4	943	82.1	732	97.4
Fine Wool (<20µ)	20.3	24.5	Merino Locks	5.1	508	100.0	618	97.2
Medium Wool (20 - 22µ)	66.3	61.6	Other	31.1	3 102	93.6	2 546	97.8
Strong Wool (22 - 24µ)	13.2	13.4	<b>Total</b>	<b>100.0</b>	<b>9 988</b>	<b>86.4</b>	<b>8 915</b>	<b>97.8</b>
Overstrong (24 - 27µ)	0.2	0.5						

**Other Indicators**

<b>Indicators</b>	<b>This Week</b>	<b>Prev Week</b>	<b>% Change</b>	<b>Ports</b>	<b>This Week (Bales)</b>			<b>Prev Week (Bales)</b>	
					<b>Offered</b>	<b>Sold</b>	<b>% Sold</b>	<b>Offered</b>	<b>Sold</b>
<b>SA Market Indicator</b>	<b>3 353</b>	<b>3 539</b>	<b>-5.3</b>	Cape Town	1 571	1 174	74.7	1 748	1 719
AWEX EMI	822	837	-1.8	Durban	1 689	1 561	92.4	1 734	1 694
R/US Dollar	7.3398	7.3437	0.1	Port Elizabeth	6 728	5 898	87.7	5 433	5 308
R/A Dollar	5.6478	5.6857	0.7	<b>Total</b>	<b>9 988</b>	<b>8 633</b>	<b>86.4</b>	<b>8 915</b>	<b>8 721</b>
R/Euro	9.3763	9.3660	-0.1						

**Receipts 03/11/2006**

<b>Main Buyers</b>				<b>Season to Date (Kg)</b>	<b>Last Season (Kg)</b>	<b>% Change</b>
<b>Buyers</b>	<b>This Week</b>	<b>% of Sale</b>	<b>To Date</b>	<b>17 236 368</b>	<b>18 844 847</b>	<b>-8.5</b>
G Modiano	2 747	31.8	<b>27 334</b>			
S A Wool Exporters	1 720	19.9	<b>12 466</b>			
Segard Masurel	1 499	17.4	<b>14 173</b>			
Stucken	1 197	13.9	<b>13 258</b>			
Beier Fin	757	8.8	<b>6 860</b>			
Chargeurs Wool	521	6.0	<b>13 011</b>			
ADF	71	0.8	<b>1 926</b>			
New England Wool	67	0.8	<b>497</b>			
Lempriere (Aus) Ltd	54	0.6	<b>657</b>			

**Next Auction**

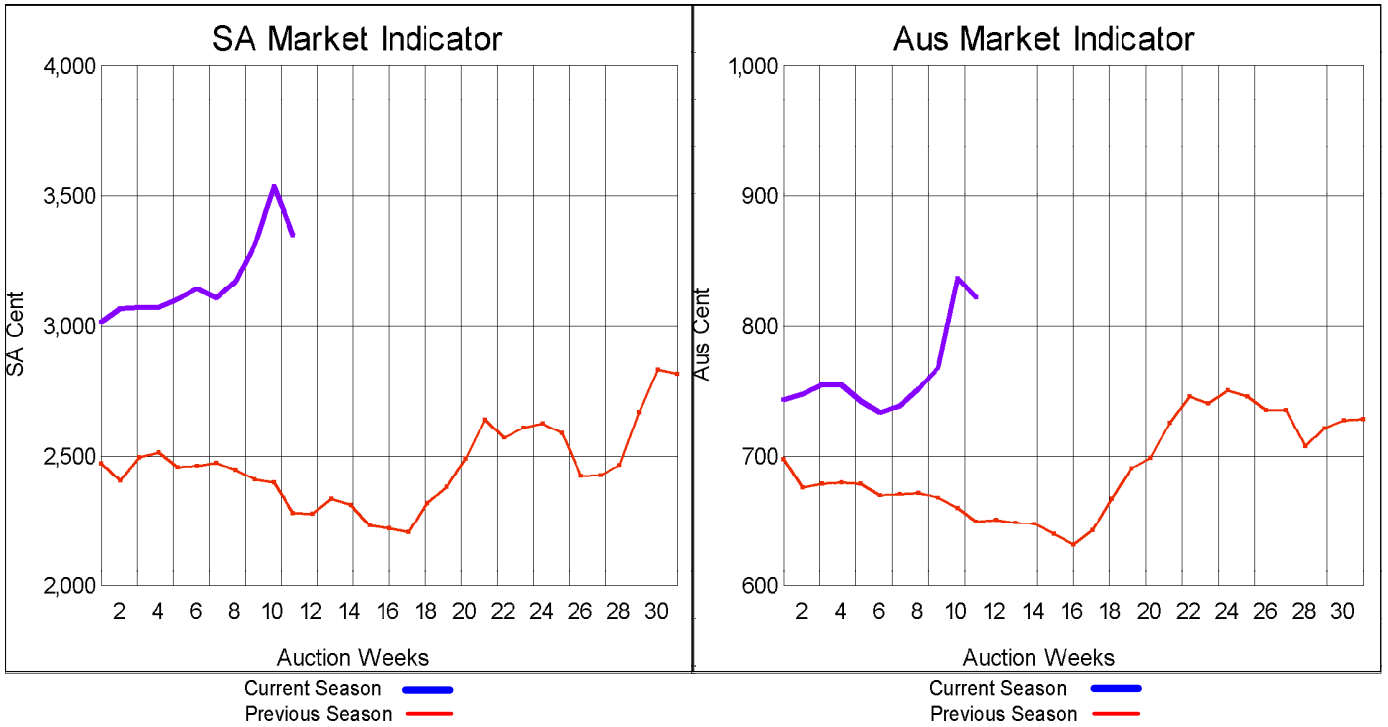
<b>Name</b>	<b>Date</b>	<b>Offerings (Bales)</b>
S A Wool Exchange	15/11/2006	± 9 000
Van Lill Wool Buyers	-	-
Saunders et al.	-	-
Lanata	-	-
<b>SA Market Indicator</b>	<b>-</b>	<b>MB11</b>
<b>Ave SA Market Indicator - Season to Date</b>		<b>3 178</b>
<b>Ave SA Market Indicator - Previous Season</b>		<b>2 461</b>

# 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			6435	6042																2.2	-0.7					
18.5		5530	5774	5592		5480															-9.2	-4.7	-2.8			
19.0		5427	5335	5334	5016																-2.2	-2.8	-3.7	-5.9		
19.5		5304	5241	5115	4894	4742	4290														2.1	-4.1	-4.3	-4.8	-2.7	-1.9
20.0		5055	5014	4885	4716	4434	4035														-5.8	-5.3	-7.2	-6.5	-4.5	-5.0
20.5		4850	4844	4708	4518	4561															-5.2	-5.1	-6.8	-6.6	0.2	
21.0		4728	4663	4613	4622	4256	3776														-4.5	-6.1	-5.4	1.8	-5.6	-14.3
21.5	4654	4585	4601	4527	4348	4190															-4.7	-6.2	-7.8	-4.5	-5.9	
22.0		4522	4509	4502	4308	4246															-1.0	-6.5	-5.8		-4.0	
22.5	4415	4468	4468	4492	4152	4064															-5.5	-5.3				
23.0		4386	4357	4303	4277	4015																-6.0	-5.2		-2.0	
23.5		4162	4326																			-4.7				
24.0																										

\* 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			4937	4824																-8.0
20.0			4582				4063													-9.7
20.5			4648	4504	3201	2764														2.5 -8.1
21.0		4418	4565	4380		2916														-3.3 -5.0
21.5			4339	4230	4382	4158														-6.8 -9.7 -5.3
22.0			4267	4146	4045	3877														-7.0 -9.2 -13.8
22.5			4097	4070																-9.0 -9.4
23.0				3856																-12.8
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
<b>Good Quality</b>						
Lambswool	5344	4662	4498	4296	4111	3933
Bellies	4761	4511		4272	4260	3973
Locks		3380	3109	3498	3264	3078
<b>Average Quality</b>						
Lambswool	5067	4764		4063	4095	3820
Bellies		4188	4222	4113	3974	3750
Locks		3443		3383	3218	3050
<b>Inferior Quality</b>						
Fleecewool	4689	4469	4165			4060
Lambswool	4782	4757		2827	4293	3829
Bellies		3677	3553	3864	3521	3411
Locks		2829	2834	2924	2941	2897

#### Industry News

##### Receipts down, offerings up

Although receipts into brokers' stores have been slow, offerings at auction are up on the corresponding period last season. Cape Wools' statistics up to 3 November show a 8,5% drop in receipts, but a 3% increase in offerings

A total of 79 555 bales (11,8 million kg) have been offered, of which the majority (65 277 bales) were Merino wool.

There has also been a 5% increase in the volume of Merino wool and a 2,9% decrease in the volume of crossbred and other wools offered compared with last season.

The average yield for Merino wool has improved to 64% from 62%.

For more information visit our website at [www.Capewools.co.za](http://www.Capewools.co.za)