CAPE WOOLS SA Final Wool Sales Report and Price Summary

Auction Date 8-Nov-2006

Catalogue Number MB11



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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.

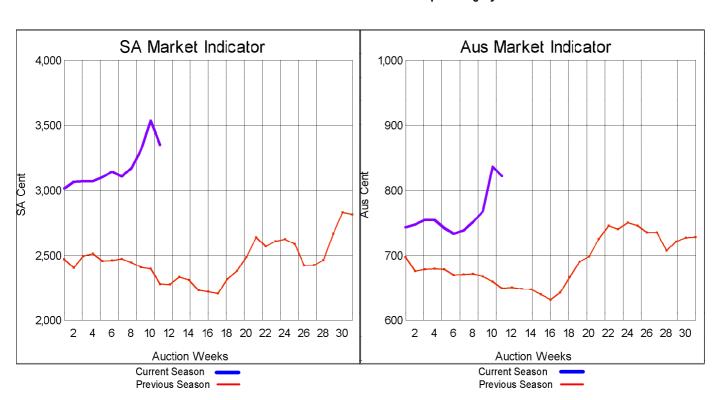
Approximately 9 000 bales will be offered at next week's sale.

				Auction Analysis								
Composition	n of Fleece	Offering			Analysi	s of Offe	rings					
Descriptio	% This	% Prev	Description	т	his Week	Previous Week						
•		Week	Week	-	%	Bales	% Sold	Bales % So 4 501 6 518 732 618 9 2 546 9 8 915 9 Prev Week (Ba Offered Sol 1 748 1 1 734 1 5 433 5 8 915 8 (Kg) % Chan	% Sold			
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	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 - 22	2μ)	66.3	61.6	Other	31.1	3 102	93.6	6 2 546 97.8				
Strong Wool (22 - 24	μ)	13.2	13.4	Total	100.0	9 988	86.4	.4 8 915 97.8				
Overstrong (24 - 27µ))	0.2	0.5									
Oth	er Indicato	rs			Offeri	ngs per l	Port					
Indicators	This	Prev	%	Ports	This	Week (Ba	ales)	Prev We	ek (Bales)			
	Week	Week	Change	1 01 00	Offered	Sold	% Sold	Offered	Sold			
SA Market Indicator	3 353	3 539	-5.3	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	_	Port Elizabeth	6 728	5 898		5 433	5 308			
R/A Dollar	5.6478	5.6857	0.7	Total	9 988	8 633	86.4	8 915	8 721			
R/Euro	9.3763	9.3660	-0.1		Receipt	s 03/11/	2006					
М	ain Buyers		ı	Season to Date	e (Kg) Last Season (Kg) %							
Buyers	This	%	То				`	Change				
	Week	of Sale	Date	17 236 368	1	8 844 84	1 7	-8.5				
G Modiano	2 747	31.8	27 334		Ne	kt Auctio	n					
S A Wool Exporters	1 720	19.9	12 466	Name		Date	Offe	erings (Ba	(Bales)			
Segard Masurel	1 499	17.4	14 173	S A Wool Exchange		15/11,	/2006	± 9	000			
Stucken	1 197	13.9	13 258	Van Lill Wool Buyers		-			-			
Beier Fin	757	8.8	6 860	Saunders et al.		-			-			
Chargeurs Wool	521	6.0	13 011			-			-			
ADF	71	0.8	1 926	SA Market Indicator	-	МВ	11	3 :	353			
New England Wool	67	0.8		Ave SA Market Indic				_	178			
Lempriere (Aus) Ltd	54	0.6	657	Ave SA Market Indicator - Previous Season 2 46								

Cape Wools SA
Fleece Wool Prices (Spinners and Good Topmaking Styles, AWEX Types MF3,MF4 and MF5)

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
		6435	6042							•		2.2	-0.7						
	5530	5774	5592		5480						-9.2	-4.7	-2.8						
	5427	5335	5334	5016							-2.2	-2.8	-3.7	-5.9					
	5304	5241	5115	4894	4742	4290					2.1	-4.1	-4.3	-4.8	-2.7	-1.9			
	5055	5014	4885	4716	4434	4035					-5.8	-5.3	-7.2	-6.5	-4.5	-5.0			
	4850	4844	4708	4518	4561						-5.2	-5.1	-6.8	-6.6	0.2				
	4728	4663	4613	4622	4256	3776					-4.5	-6.1	-5.4	1.8	-5.6	-14.3			
4654	4585	4601	4527	4348	4190						-4.7	-6.2	-7.8	-4.5	-5.9				
	4522	4509	4502	4308	4246						-1.0	-6.5	-5.8		-4.0				
4415	4468	4468	4492	4152	4064						-5.5	-5.3							
	4386	4357	4303	4277	4015							-6.0	-5.2		-2.0				
	4162	4326										-4.7							
	mm 4654	mm mm 5530 5427 5304 5055 4850 4728 4654 4585 4522 4415 4386	100 mm 90 mm 80 mm 6435 5774 5335 5427 5335 5241 5055 5014 4850 4844 4728 4663 4654 4525 4509 4415 4468 4468	100 mm 90 mm 80 mm 70 mm 5530 5774 5592 5427 5335 5334 5304 5241 5115 5055 5014 4885 4850 4844 4708 4654 4585 4603 4613 4654 4585 4601 4527 4415 4468 4468 4492 4386 4357 4303	100 mm 90 mm 80 mm 70 mm 60 mm 5530 5774 5592 5016 5016 5016 5016 5016 5016 4894 5016 4894 4716 4894 4716 4818 4716 4818 4716 4818 4613 4622 4654 4654 4527 4348 4415 4468 4468 4492 4152 4486 4468 4437 4377	100 mm 90 mm 80 mm 70 mm 60 mm 50 mm 5530 5774 5592 5480 5427 5335 5334 5016 742 5304 5241 5115 4894 4742 4850 5014 4885 4716 4434 4850 4844 4708 4518 4561 4654 4585 4601 4522 4256 4415 4468 4468 4492 4152 4064 4415 4386 4387 4303 4277 4015	100 mm 90 mm 80 mm 70 mm 60 mm 50 mm 40 mm 5530 5774 5592 5492 5493 5494 5494 5494 5494 5494 5494 5494	100 mm 90 mm 80 mm 70 mm 60 mm 50 mm 40 mm 30 mm 5530 5774 5592 592 5480 5480 5427 5335 5334 5016 5494 4290 5494 5429 5494 4290 5494	100 mm 90 mm 80 mm 70 mm 60 mm 50 mm 40 mm 30 mm 20 mm 553 574 5592 5480 </td <td>100 mm 90 mm 80 mm 70 mm 60 mm 50 mm 40 mm 30 mm 20 mm 10 mm 5530 5774 5592 5480 5427 5335 5334 5016 5427 5335 5334 5016 5429 5427 5335 5334 5016 5429</td> <td>100 mm 90 mm 80 mm 70 mm 60 mm 50 mm 40 mm 30 mm 20 mm 100 mm 5530 5774 6042 5480<td>100 mm 90 mm 80 mm 70 mm 60 mm 50 mm 40 mm 30 mm 20 mm 10 mm 100 mm 90 mm 5530 6042 5530 5774 5592 5480 548 548 592 5480</td><td>100 mm 90 mm 80 mm 70 mm 60 mm 50 mm 40 mm 30 mm 20 mm 100 mm 90 mm 80 mm 5530 6042 </td><td>100 mm 90 mm 80 mm 70 mm 60 mm 50 mm 40 mm 30 mm 20 mm 100 mm 90 mm 80 mm 70 mm 6435 6042 </td><td>100 mm 90 mm 80 mm 70 mm 600 mm 50 mm 40 mm 30 mm 20 mm 100 mm 90 mm 80 mm 70 mm 600 mm 5427 6435 6042 5480<!--</td--><td>100 mm 80 mm 70 mm 60 mm 50 mm 40 mm 30 mm 20 mm 100 mm 90 mm 80 mm 70 mm 60 mm 50 mm 5530 6042 5530 5774 5592 5480 1 mm 1 mm -9.2 -4.7 -2.8 - 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1</td><td>100 mm 90 mm 80 mm 70 mm 60 mm 50 mm 40 mm 30 mm 20 mm 100 mm 90 mm 80 mm 70 mm 60 mm 70 mm 40 mm 5530 5774 5592 5480 </td><td>100 mm 90 mm 80 mm 70 mm 60 mm 40 mm 30 mm 20 mm 100 mm 90 mm 80 mm 70 mm 60 mm 40 mm 30 mm 5530 5435 6042 5480 5480 5484<td>100 90 80 70 600 500 400 30 20 100 90 80 70 600 500 400 30 20 100 90 800 700 600 500 400 300 200 4 5330 5042 5482 5480 <td< td=""></td<></td></td></td>	100 mm 90 mm 80 mm 70 mm 60 mm 50 mm 40 mm 30 mm 20 mm 10 mm 100 mm 90 mm 5530 6042 5530 5774 5592 5480 548 548 592 5480	100 mm 90 mm 80 mm 70 mm 60 mm 50 mm 40 mm 30 mm 20 mm 100 mm 90 mm 80 mm 5530 6042	100 mm 90 mm 80 mm 70 mm 60 mm 50 mm 40 mm 30 mm 20 mm 100 mm 90 mm 80 mm 70 mm 6435 6042	100 mm 90 mm 80 mm 70 mm 600 mm 50 mm 40 mm 30 mm 20 mm 100 mm 90 mm 80 mm 70 mm 600 mm 5427 6435 6042 5480 </td <td>100 mm 80 mm 70 mm 60 mm 50 mm 40 mm 30 mm 20 mm 100 mm 90 mm 80 mm 70 mm 60 mm 50 mm 5530 6042 5530 5774 5592 5480 1 mm 1 mm -9.2 -4.7 -2.8 - 1</td> <td>100 mm 90 mm 80 mm 70 mm 60 mm 50 mm 40 mm 30 mm 20 mm 100 mm 90 mm 80 mm 70 mm 60 mm 70 mm 40 mm 5530 5774 5592 5480 </td> <td>100 mm 90 mm 80 mm 70 mm 60 mm 40 mm 30 mm 20 mm 100 mm 90 mm 80 mm 70 mm 60 mm 40 mm 30 mm 5530 5435 6042 5480 5480 5484<td>100 90 80 70 600 500 400 30 20 100 90 80 70 600 500 400 30 20 100 90 800 700 600 500 400 300 200 4 5330 5042 5482 5480 <td< td=""></td<></td></td>	100 mm 80 mm 70 mm 60 mm 50 mm 40 mm 30 mm 20 mm 100 mm 90 mm 80 mm 70 mm 60 mm 50 mm 5530 6042 5530 5774 5592 5480 1 mm 1 mm -9.2 -4.7 -2.8 - 1	100 mm 90 mm 80 mm 70 mm 60 mm 50 mm 40 mm 30 mm 20 mm 100 mm 90 mm 80 mm 70 mm 60 mm 70 mm 40 mm 5530 5774 5592 5480	100 mm 90 mm 80 mm 70 mm 60 mm 40 mm 30 mm 20 mm 100 mm 90 mm 80 mm 70 mm 60 mm 40 mm 30 mm 5530 5435 6042 5480 5480 5484 <td>100 90 80 70 600 500 400 30 20 100 90 80 70 600 500 400 30 20 100 90 800 700 600 500 400 300 200 4 5330 5042 5482 5480 <td< td=""></td<></td>	100 90 80 70 600 500 400 30 20 100 90 80 70 600 500 400 30 20 100 90 800 700 600 500 400 300 200 4 5330 5042 5482 5480 <td< td=""></td<>

* Based on a minimum of 3 lots sold per category



Cape Wools SA
Fleece Wool Prices (Average Topmaking Style, AWEX type MF6)

							•			•						•				
	Average Price (c/kg. clean)*								Percentage change from previous catalogue											
Micron	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																				

Other Selected Types/Qualities

Price per Kilogram

		Long			Mediun	1
Good Quality	19µ	20µ	21µ	19µ	20μ	21µ
Lambswool	5344	4662	4498	4296	4111	3933
Bellies	4761	4511		4272	4260	3973
Locks		3380	3109	3498	3264	3078
Average Qual	<u>ity</u>					
Lambswool	5067	4764		4063	4095	3820
Bellies		4188	4222	4113	3974	3750
Locks		3443		3383	3218	3050
Inferior Qualit	Y					
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

^{*} Based on a minimum of 3 lots sold per category.