

CAPE WOOLS SA
Final Wool Sales Report and Price Summary

Auction Date **15/11/2006**
Catalogue Number **MB12**



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Market Commentary

WOOL MARKET REGAINS ITS STRENGTH

PORT ELIZABETH: The market regained its upward momentum after last week's drop and Cape Wools' overall indicator rose 3,3% to R34,63/kg (clean). The indicator is now 15% higher than at the opening sale.

This was despite a slight strengthening of the rand, which was up 0,8% against the US dollar and traded 0,6% higher against the euro compared with last week. Keen demand seems to have been the major driving force. Prices of most long Merino wools were higher. Medium wools of 21 to 23 microns were keenly sought after, posting gains of 3% to almost 5%.

A total of 10 542 bales were offered of which 96% changed hands. Major buyers were Modiano (3 294 bales), SA Wool Exporters (2 263 bales), Segard Masurel (1 745 bales), Chargeurs Wools (956 bales), and Stucken (924 bales).

Average price movements for AWEX type fleeces MF3, MF4 and MF5 of 70 and 80 mm were as follows: 19 microns were up 2,9% at R54,94/kg; 20 microns were 3,3% dearer at R51,13/kg; 21 microns gained 3,5% at R48,02/kg; 22 microns rose 4,5% at R47,07/kg; 23 microns were 4,6% dearer at R45,28/kg, but there were no quotes for 24 and 25 microns.

Approximately 12 000 bales will come under the hammer next week.

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	68.0	69.8	Merino Fleeces	45.8	4 827	97.1	4 874	80.8
Medium Wool	24.9	24.5	Merino Bellies	7.1	744	97.3	561	91.3
Short Wool and Locks	7.1	5.8	Merino Lambs	9.8	1 034	97.0	943	82.1
Fine Wool (<20μ)	23.0	20.3	Merino Locks	7.0	734	99.0	508	100.0
Medium Wool (20 - 22μ)	60.9	66.3	Other	30.4	3 203	94.2	3 102	93.6
Strong Wool (22 - 24μ)	15.4	13.2	Total	100.0	10 542	96.4	9 988	86.4
Overstrong (24 - 27μ)	0.7	0.2						

Other Indicators

Indicators	This Week	Prev Week	% Change	Ports	Offerings per Port				
					This Week (Bales)			Prev Week (Bales)	
					Offered	Sold	% Sold	Offered	Sold
SA Market Indicator	3 463	3 353	3.3	Cape Town	1 504	1 444	96.0	1 571	1 174
AWEX EMI	844	822	2.7	Durban	1 993	1 923	96.5	1 689	1 561
R/US Dollar	7.2796	7.3398	0.8	Port Elizabeth	7 045	6 792	96.4	6 728	5 898
R/A Dollar	5.5631	5.6478	1.5	Total	10 542	10 159	96.4	9 988	8 633
R/Euro	9.3182	9.3763	0.6						

Receipts 10/11/2006

Main Buyers

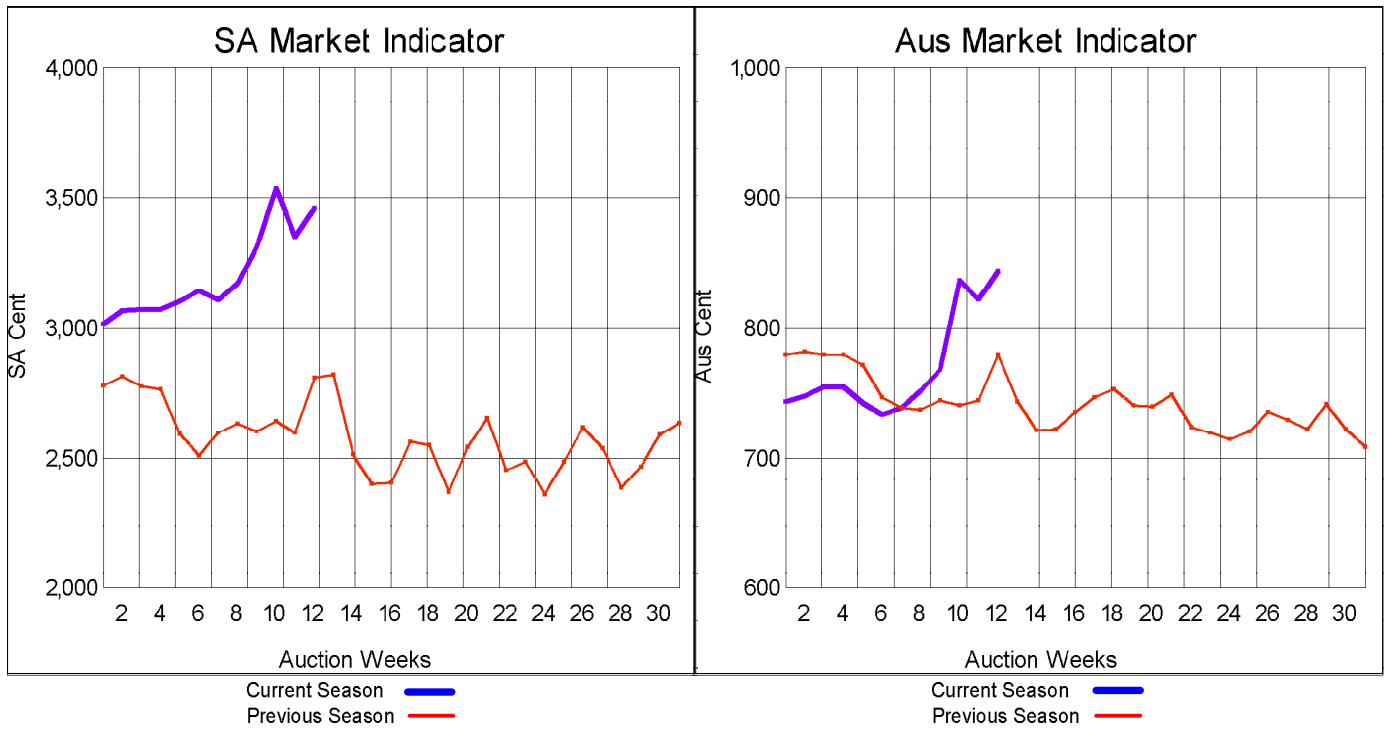
Buyers	This Week	% of Sale	To Date	Season to Date (Kg)		Last Season (Kg)		% Change
				18 581 154		20 436 728		
G Modiano	3 294	32.4	30 660	Next Auction				
SA Wool Exporters	2 263	22.3	14 807	Name	Date	Offerings (Bales)		
Segard Masurel	1 745	17.2	15 922	S A Wool Exchange	22/11/2006	± 10 500		
Chargeurs Wool	956	9.4	14 335	Van Lill Wool Buyers	21/11/2006	± 575		
Stucken	924	9.1	14 190	Saunders et al.	21/11/2006	± 600		
Beier Fin	848	8.3	7 711	Lanata	21/11/2006	± 500		
Lempriere (Aus) Ltd	77	0.8	734	SA Market Indicator	-	MB12	3 463	
ADF	32	0.3	1 958	Ave SA Market Indicator - Season to Date				3 202
New England Wool	20	0.2	519	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			6073	6023									-6.0	-0.3							
18.5		5859	5870	5434	5438							5.6	1.6	-2.9							
19.0			5497	5491		4810							2.9	2.9							
19.5		5390	5366	5348	5086	4632						1.6	8.6	6.1	3.8	-2.4					
20.0		5282	5166	5061	4689	4655	4143					5.7	2.9	3.5	-0.6	4.8	2.6				
20.5	4979	4947	4968	4862	4715	4438						2.0	3.2	5.3	5.1	-2.8					
21.0	4702	4774	4797	4807	4603	4311	4079					1.6	3.6	4.0	-0.4	1.3	7.4				
21.5		4758	4787	4734		4410	4089					3.6	7.4	4.4		5.0					
22.0		4619	4708	4706	4468	4130	4083					4.1	4.4	8.6	3.6	-2.8					
22.5		4670	4541	4543	4384	4152						4.3	5.1	1.1	5.3	2.1					
23.0		4647	4567	4490	4471	4214						5.6	11.8	8.9	4.3	4.7					
23.5		4551	4490	4454		4228						11.3	3.7								
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				5611																
19.0			5432	5042	4768															
19.5			5253	5089	4922	4718						7.0	5.2							
20.0			5077	4923	4606	4553						9.3								
20.5			4662	4717	4579							0.3	5.0	30.1						
21.0			4700	4555	4187							2.9	4.0							
21.5	4686		4490	4496	4353							3.6	5.9	-0.7						
22.0			4513	4283	4166	4048						5.5	3.6	2.9	4.2					
22.5			4365	4182								6.1	2.7							
23.0			4032																	
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	5440	4811	4458	4502	4211	4043
Bellies	4621	4491	4389	4394	4120	3816
Locks		3445		3472	3357	3031
Average Quality						
Lambswool	5194	4799	4422	4373	4082	4122
Bellies	4511	4242	4157	4267	4064	3840
Locks		3181	2878	3547	3168	2947
Inferior Quality						
Fleecewool	4599	4240	4271			4312
Lambswool	4928		3751	4319	4433	3976
Bellies		3774	3772	3475	3681	3574
Locks	2725	2900	2846	3090	2888	2852

Industry News

Eastern Cape top wool-producing province

The Eastern Cape remains the top wool-producing province in the country. According to Cape Wools' statistics just released, the province produced 12,5 mkg in 2005/06.

This was considerably higher than its next rival, the Free State (9,1 mkg). The third largest producer was the Western Cape with 7,8 mkg, followed by the Northern Cape (5,2 mkg), Mpumalanga (2,6 mkg) and KwaZulu Natal (753 476).

Total production came to 46,5 mkg, which includes wool from neighboring countries Namibia (7 980 kg) and Lesotho (3,7 mkg). This is down 1,3% on last season. The drop in production is ascribed to low price levels over the past two seasons, which prompted many producers to switch to or cross with mutton breeds.