

CAPE WOOLS SA
Final Wool Sales Report and Price Summary

Auction Date **22-Nov-2006**
Catalogue Number **MB13**



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Market Commentary

WOOL PRICES DROP AS RAND STRENGTHENS

PORT ELIZABETH: Wool prices were down at this week's sale following the strengthening of the rand and a softer Australian market. As a result, Cape Wools' market indicator was down 3,7% at R33,36/kg (clean). The rand rallied in Asian trade but came off its best levels at midday in a volatile, illiquid market to trade at around R7,15 to the US dollar (up 1,7%) en R9,20 to the euro (up 1,2%). The rand's rally was attributed to stop loss dollar selling following the local unit's break below the R7,20 level, the recent strength in commodities as well as a weakening in the dollar.

Prices of all Merino long wools were down, with 20, 21 and 22 posting the biggest drops of 5% to 6%.

A total of 13 361 bales were offered of which 85% changed hands. Major buyers were Modiano (2 741 bales), SA Wool Exporters (2 594 bales), Segard Masurel (2 278 bales), Stucken (1 641 bales) and Chargeurs Wools (963 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% at R53,29/kg; 20 microns were 6,3% cheaper at R47,88/kg; 21 microns weakened 4,7% at R45,76/kg; 22 microns dropped 6,2% at R44,15/kg; 23 microns were 3,9% cheaper at R43,52/kg, but there were no quotes for 24 and 25 microns.

Approximately 11 500 bales have been rostered for 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	67.8	68.0	Merino Fleeces	48.2	6 437	79.0	4 827	97.1
Medium Wool	25.9	24.9	Merino Bellies	5.5	737	94.4	744	97.3
Short Wool and Locks	6.4	7.1	Merino Lambs	7.3	978	90.4	1 034	97.0
Fine Wool (<20μ)	18.6	23.0	Merino Locks	5.4	721	93.2	734	99.0
Medium Wool (20 - 22μ)	67.7	60.9	Other	33.6	4 488	88.5	3 203	94.2
Strong Wool (22 - 24μ)	13.1	15.4	Total	100.0	13 361	84.6	10 542	96.4
Overstrong (24 - 27μ)	0.6	0.7						

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	3 336	3 463	-3.7	Cape Town	1 572	1 068	67.9	1 504	1 444
AWEX EMI	835	844	-1.1	Durban	2 765	2 450	88.6	1 993	1 923
R/US Dollar	7.1550	7.2796	1.7	Port Elizabeth	9 024	7 792	86.3	7 045	6 792
R/A Dollar	5.5282	5.5631	0.6	Total	13 361	11 310	84.6	10 542	10 159
R/Euro	9.2062	9.3182	1.2						

Receipts 17/11/2006

Main Buyers

Buyers	This Week	% of Sale	To Date	Season to Date (Kg)		Last Season (Kg)		% Change
				20 145 615	21 753 654	21 753 654	21 753 654	
G Modiano	2 741	24.2	33 427	Next Auction				
S A Wool Exporters	2 594	22.9	17 451	Name	Date	Offerings (Bales)		
Segard Masurel	2 278	20.1	18 202	S A Wool Exchange	29/11/2006	± 11 500		
Stucken	1 641	14.5	15 831	Van Lill Wool Buyers	-	-		
Chargeurs Wool	963	8.5	15 317	Saunders et al.	-	-		
Beier Fin	923	8.2	8 634	Lanata	-	-		
ADF	107	0.9	2 065	SA Market Indicator	-	MB13	3 336	
Lempriere (Aus) Ltd	32	0.3	766	Ave SA Market Indicator - Season to Date				3 212
New England Wool	31	0.3	550	Ave SA Market Indicator - Previous Season				2 461

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			5207	4917																-10.5
19.5				4852		4465														-4.9 -5.7
20.0				4605		4251	4145													-6.9 -7.1
20.5			4611	4437	4503															-1.1 -6.3 -1.7
21.0			4397	4344	4320	4029														-6.9 -4.9 -5.2
21.5			4353	4257	4414	4220														-3.2 -5.6 1.4
22.0	4339	4275	4212	3991	4013															-5.6 -1.6 -4.4 -0.9
22.5		4294	4173	4047																-1.6 -0.2
23.0			4121																	
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	5283	4890	4581	4424	4196	3971
Bellies	4546	4421	3905	4233	4155	3803
Locks		3497	3154	3186	3153	2959
Average Quality						
Lambswool	4929	4629	4465	4316	4142	4003
Bellies	4699	4371	3995	4266	3880	3599
Locks	3409	3409			2905	2780
Inferior Quality						
Fleecewool	4488	4396	4154			3895
Lambswool	4945		4133	4133		
Bellies		3683	3422	3790	3792	3339
Locks	2813	2620	2670	2721	2727	2688

Industry News

China import permits not collected

Between 30% and 40% of importers eligible for permit certificates for the import of textiles and clothing from China failed to collect certificates for their individual quotas by the end of last week, says the Department of Trade and Industry.

The cut-off date for collection was November 16 and importers who did not meet the deadline forfeited allocations.

The certificates indicate the individual quotas set for retailers for imports allowed from China until the end of 2008 after the trade and industry department announced a restriction on clothing and textiles imports from that country.

It emerged last month that a number of retailers were considering challenging the import restrictions in court.