

CAPE WOOLS SA
Final Wool Sales Report and Price Summary

Auction Date **13-Dec-2006**
Catalogue Number **MB16**



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Market Commentary

WOOL MARKET CLOSES ON A HIGH NOTE

PORT ELIZABETH: The final sale of the year brought Christmas cheer to wool producers when Cape Wools' overall indicator gained 2,1% despite a stronger currency to close at R34,66/kg (clean). This is up 56% on the corresponding sale last season.

The rand this week firmed to its highest level in nearly four months, breaking through the key R7,00 level at R6,96 to the US dollar. This is up 13c (1,9%) compared with last week. It was trading at R9,23 against the euro (up 2,1%).

Prices of all Merino long wools were dearer with 19, 21 en 23 microns posting the biggest gains.

The offering comprised 10 678 bales of which 98% was sold. Major buyers were Modiano (3 776 bales), SA Wool Exporters (2 297 bales), Segard Masurel (1 185 bales), Stucken (1 055 bales) and Chargeurs Wools (754 bales).

Average price movements for AWEX-type fleeces MF3, MF4 and MF5 of 70 and 80 mm were as follows: 19 microns were 2,7% dearer at R55,88/kg; 20 microns were up a marginal 0,3% at R49,70/kg; 21 microns gained 1,8% at R47,16/kg; 22 microns were up 0,5% at R45,03/kg; 23 microns were 1,4% dearer at R44,37/kg, but there were no quotes for 24 and 25 microns.

Sales will resume on 10 January when approximately 7 500 bales will be auctioned.

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	59.7	68.4	Merino Fleeces	44.5	4 750	98.0	4 986	97.9
Medium Wool	33.7	26.1	Merino Bellies	5.6	594	99.2	632	97.2
Short Wool and Locks	6.5	5.5	Merino Lambs	8.4	893	96.6	868	95.3
Fine Wool (<20μ)	16.5	19.6	Merino Locks	4.7	500	98.0	611	100.0
Medium Wool (20 - 22μ)	63.1	63.3	Other	36.9	3 941	97.5	3 884	96.9
Strong Wool (22 - 24μ)	18.2	16.2	Total	100.0	10 678	97.8	10 981	97.4
Overstrong (24 - 27μ)	2.1	0.8						

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	3 466	3 394	2.1	Cape Town	1 233	1 207	97.9	1 194	1 134
AWEX EMI	837	828	1.1	Durban	2 295	2 239	97.6	2 443	2 380
R/US Dollar	6.9550	7.0905	1.9	Port Elizabeth	7 150	6 995	97.8	7 344	7 183
R/A Dollar	5.4829	5.5744	1.6	Total	10 678	10 441	97.8	10 981	10 697
R/Euro	9.2293	9.4252	2.1						

Receipts 08/12/2006

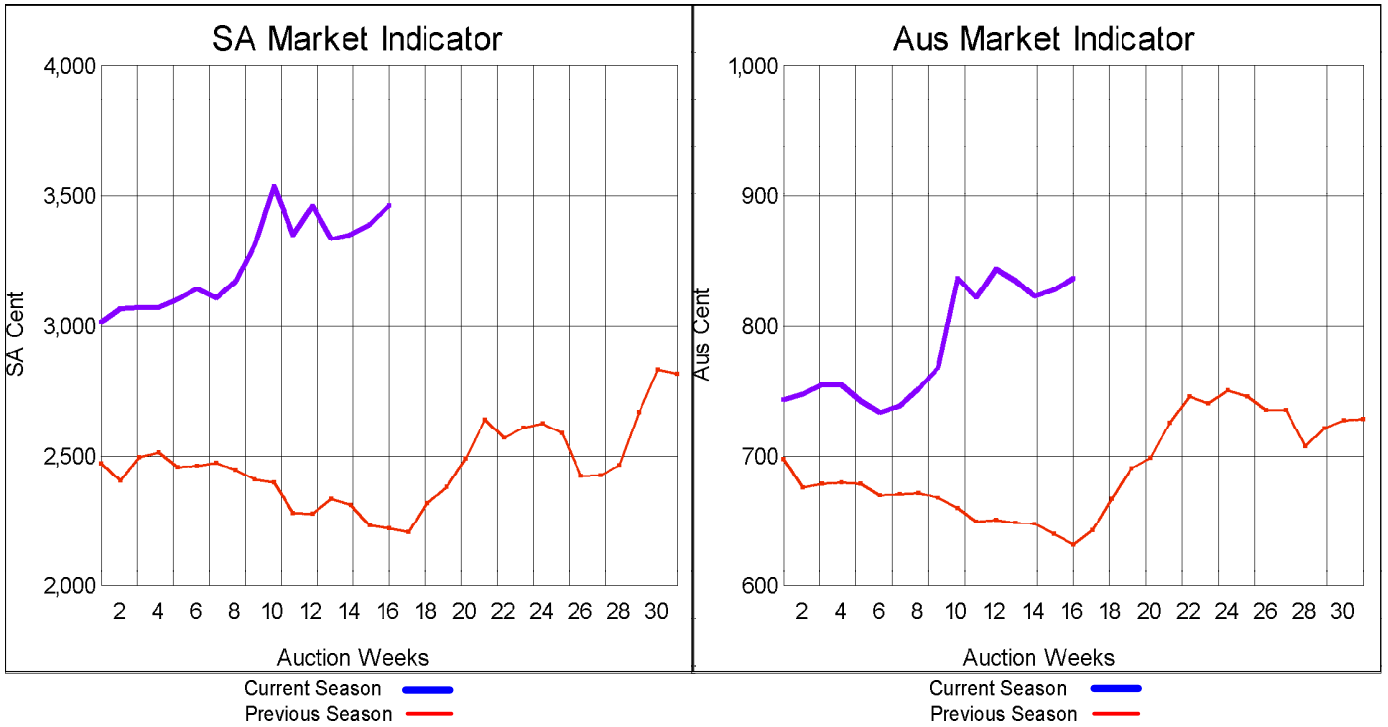
Main Buyers				Season to Date (Kg)		Last Season (Kg)		% Change
Buyers	This Week	% of Sale	To Date	24 306 362		24 976 896		
G Modiano	3 776	36.2	41 632	Next Auction				
S A Wool Exporters	2 297	22.0	23 740	Name		Date	Offerings (Bales)	
Segard Masurel	1 185	11.3	21 989	S A Wool Exchange		10/01/2007	± 7 500	
Stucken	1 055	10.1	19 919	Van Lill Wool Buyers		-	-	
Chargeurs Wool	754	7.2	18 650	Saunders et al.		-	-	
Beier Fin	603	5.8	10 722	Lanata		-	-	
ADF	583	5.6	3 493	SA Market Indicator		-	MB16	3 466
Lempriere (Aus) Ltd	164	1.6	1 255	Ave SA Market Indicator - Season to Date				3 249
New England Wool	24	0.2	658	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					5386	5191									3.4						
18.5					5167																
19.0		5544	5646	5530	5039	4732	4221						1.7	1.2	4.5	-2.4	-2.3				
19.5		5341	5394	5309	5094	4760							1.9	3.0	3.3	2.7	-1.3				
20.0		5069	5005	4936	4704	4502	4333						2.5	0.7	0.1	-2.1	-2.8	0.6			
20.5		4932	4891	4718	4648	4408	4316						4.2	2.2	0.8	2.8	-2.1				
21.0	4699	4780	4751	4681	4512	4350	4160						2.9	4.5	1.0	-1.7	-1.2	-0.0			
21.5	4652	4669	4601	4579	4345	4315	4205					3.8	0.2	0.7	1.3	-2.9	-2.6				
22.0	4681	4640	4586	4421	4479	4260	4060						3.4	2.2	-1.2	1.8	-0.9				
22.5		4590	4547	4516	4505	4328	3694						3.2	1.3	1.7	3.5	0.9				
23.0		4296	4392	4482	4352	4289							-0.6	1.5	1.2	1.3	4.1				
23.5			4488	4356	4414									11.9	5.6	3.0					
24.0			4395	4373																	

* 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				5637																
19.0				5418																
19.5				4990									6.4							
20.0			4896	4665	4706	4642							-0.8	-1.0						
20.5			4662	4727		3848							2.1	8.0		11.6				
21.0	4373	4554	4285	4301									-5.6	2.7	1.6	7.4				
21.5	4515	4533	4366	4222	4084								-0.5	4.4	-0.4	0.4	-0.8			
22.0			4391	4296	4146	4101							0.9	2.0		0.7				
22.5			4397	4238	4108	4072							5.8	4.4	2.7					
23.0			4331										2.7							
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	5408	5014	4595	4797	4446	4166
Bellies	4789	4491	4306	4003	4347	4241
Locks		3308		2953	2947	2848
Average Quality						
Lambswool	5107	4838	4661	4464	4213	3891
Bellies		4391	4092	4080	3963	3631
Locks				2884	2785	3062
Inferior Quality						
Fleecewool	4850	4417	4173	4754		4004
Lambswool	5024	3813		4356	3577	3722
Bellies	4742	4265	3772	4175	3496	3523
Locks		2554	2450		2607	2505

Industry News

Farmers lose millions due to stock-theft

Stock farmers suffered losses amounting to approximately R89 million in the three months from July to September due to stock-theft, says Mr Koos van der Ryst, chairman of the national stock-theft forum.

He says according to their latest statistics 109 368 sheep and goats and 59 629 head of cattle were stolen in this period. The perpetrators are either organised crime syndicates, or individuals stealing for the pot.

The worst affected areas are the Eastern Cape, which is the largest wool-producing province, and KwaZulu-Natal.

The escalating incidence of stock-theft has already forced many wool producers to switch to other commodities. Mr van der Ryst has called for stricter law enforcement.