

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

Auction Date **22-Feb-2006**  
Catalogue Number **MA22**



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**Market Commentary**

**WOOL PRICES EASE**

**PORT ELIZABETH:** Wool prices pulled back at this week's sale following a downward correction and Cape Wools' market indicator finished the day down 2,6% at R25,72/kg (clean).

The correction followed in the wake of the previous sale's 5,9% surge, which pushed local prices to levels considerably higher than Australian prices for similar types. A stronger rand, up 1,4% against the US dollar and up 2% against the euro compared with the previous sale two weeks ago, also had a negative effect. As a result, prices for most micron ranges were down.

The fairly large offering comprised 10 316 bales of which 90% was sold. Major buyers were SA Wool Exporters (2 363 bales), Chargeurs Wool (1 960 bales), Modiano (1 944 bales), Stucken (1 393 bales) and United Wool (960 bales).

Average clean prices for good quality long (75 - 95mm) Merino fleeces (spinners' and good topmakers' styles) were as follows: 19 microns (3 lots) were down 9,2% at R42,05/kg; 20 microns (20 lots) dropped 6,3% to R37,54/kg; 21 microns (26 lots) were down 3,9% at R34,85/kg; 22 microns (31 lots) were 2,5% cheaper at R34,06/kg; 23 microns (14 lots) shed 2,5% at R33,11/kg, 24 microns were 3,7% cheaper at R31,73/kg, but there were no quotes for 25 microns.

As next Wednesday has been declared a public holiday due to the local elections, the sale has been moved to Thursday, March 2, when approximately 9 000 bales will be offered.

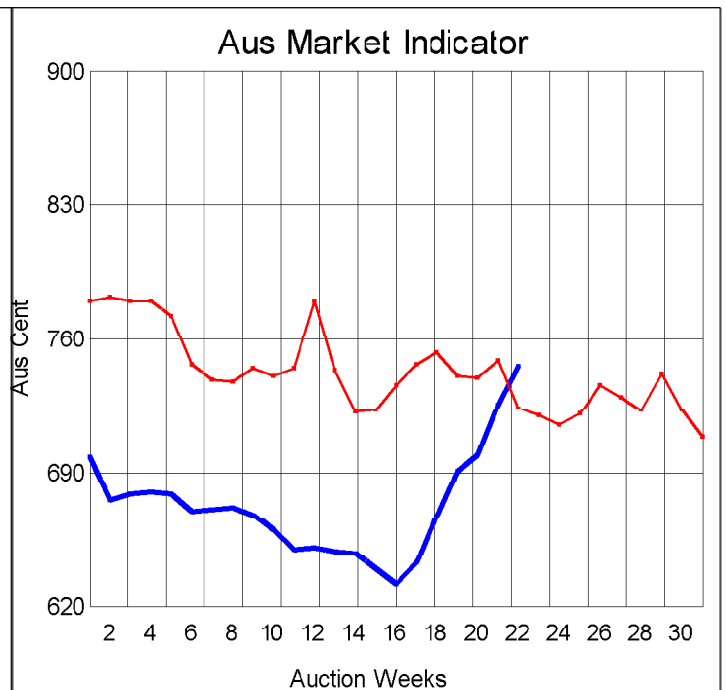
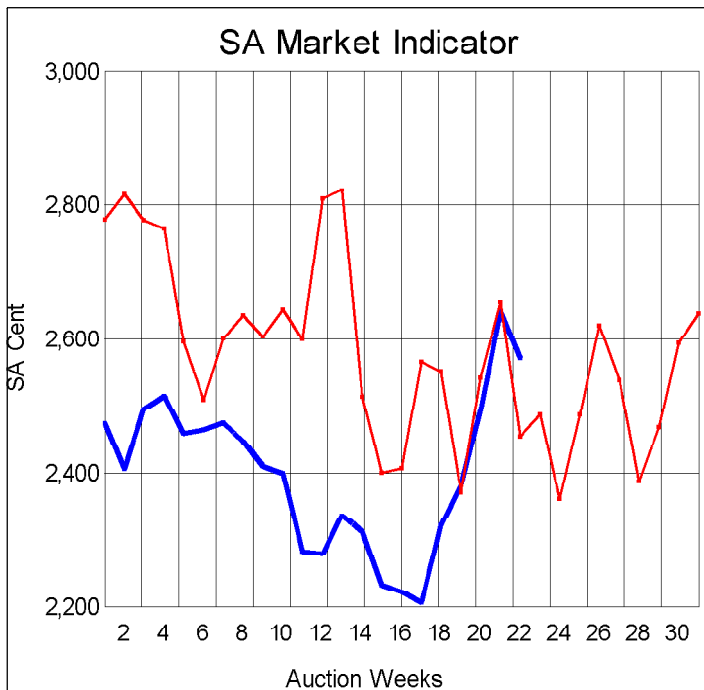
**Auction Analysis**

<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	45.4	56.0	Merino Fleeces	38.8	3 999	88.3	1 790	99.5	
Medium Wool	49.7	36.4	Merino Bellies	5.5	569	90.0	444	93.0	
Short Wool and Locks	4.9	7.6	Merino Lambs	6.9	715	82.7	358	95.5	
Fine Wool (<20µ)	14.5	27.2	Merino Locks	3.9	400	97.0	444	96.4	
Medium Wool (20 - 22µ)	63.4	56.4	Other	44.9	4 633	92.3	3 466	93.3	
Strong Wool (22 - 24µ)	20.8	15.9	<b>Total</b>	<b>100.0</b>	<b>10 316</b>	<b>90.1</b>	<b>6 502</b>	<b>95.3</b>	
Overstrong (24 - 27µ)	1.3	0.6							
<b>Other Indicators</b>				<b>Offerings per Port</b>					
<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>2 572</b>	<b>2 641</b>	<b>-2.6</b>	Cape Town	1 634	1 273	77.9	332	310
AWEX EMI	746	726	<b>2.8</b>	Durban	2 586	2 469	95.5	3 622	3 553
R/US Dollar	6.1017	6.1857	<b>1.4</b>	Port Elizabeth	6 096	5 554	91.1	2 548	2 336
R/A Dollar	4.4951	4.5648	<b>1.5</b>	<b>Total</b>	<b>10 316</b>	<b>9 296</b>	<b>90.1</b>	<b>6 502</b>	<b>6 199</b>
R/Euro	7.2614	7.4065	<b>2.0</b>						
				<b>Receipts 17/02/2006</b>					
<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>32 923 782</b>		<b>34 049 197</b>		<b>-3.3</b>	
SA Wool Exporters	2 363	25.4	<b>25 555</b>	<b>Next Auction</b>					
Chargeurs Wool	1 960	21.1	<b>31 787</b>	<b>Name</b>		<b>Date</b>		<b>Offerings (Bales)</b>	
G Modiano	1 944	20.9	<b>46 205</b>	S A Wool Exchange		02/03/2006		± 9 000	
Stucken	1 393	15.0	<b>29 213</b>	Van Lill Wool Buyers					
United Wool	960	10.3	<b>16 879</b>	Saunders et al.					
Beier Fin	663	7.1	<b>14 208</b>	Lanata					
ADF	13	0.1	<b>9 854</b>	<b>SA Market Indicator</b>		<b>- MA22</b>		<b>2 572</b>	
Lemriere (Aus) Ltd	0	0.0	<b>765</b>	<b>Ave SA Market Indicator - Season to Date</b>				<b>2 401</b>	
				<b>Ave SA Market Indicator - Previous Season</b>				<b>2 568</b>	

# Cape Wools SA

## Average Fleece Wool Prices (Spinners and Good Topmaking Styles)

Micron	Clean Price (c/kg.)									Quantities Sold						Percentage change from previous auction		
	75-95mm			60-70mm			40-55mm			75-95mm		60-70mm		40-55mm		75-95	60-70	40-55
	Hi	Lo	Avg	Hi	Lo	Avg	Hi	Lo	Avg	Lots	bales	Lots	bales	Lots	bales			
17,5				4743	4301	4467						2	5					-6.2
18,0				4763	4344	4597	4229	4025	4142			4	12	3	5			13.8
18,5	4716	4200	4281	4675	4275	4437	3991	3335	3699	3	6	5	12	5	8	-10.6	-2.6	-9.8
19,0	4383	4180	4205	4457	4225	4303	3896	3191	3827	3	20	6	9	4	10	-9.2	1.5	-0.3
19,5	4383	3909	4115	4232	3568	3915	3896	3053	3523	10	34	18	52	18	58	0.2	-2.9	-4.9
20,0	4108	3463	3754	4072	3434	3700	3844	2901	3369	20	64	29	142	25	96	-6.3	-3.4	-5.7
20,5	3961	3330	3625	3900	3155	3558	3620	2854	3233	23	106	47	230	36	137	-1.7	-2.6	-3.4
21,0	3607	3281	3485	3595	3155	3440	3384	2854	3173	26	175	58	282	39	160	-3.9	-3.5	-0.3
21,5	3539	3253	3438	3551	3128	3382	3384	2809	3149	32	222	59	262	38	147	-4.3	-1.3	2.0
22,0	3526	3253	3406	3510	3128	3350	3289	2771	3131	31	178	40	157	25	112	-2.5	-0.7	4.7
22,5	3448	3253	3340	3466	3195	3337	3289	2771	3150	22	111	32	147	12	68	-2.8	-3.9	13.0
23,0	3448	3175	3311	3397	3177	3326	2936	2505	2792	14	66	21	103	3	17	-2.5	-4.2	-1.3
23,5	3347	3133	3202	3335	2966	3184	2968	2505	2782	12	52	10	52	5	20	-3.6	-4.7	-2.0
24,0	3237	3070	3173	3177	2952	3107	2968	2505	2782	9	41	12	45	5	20	-3.7	-1.5	2.9
24,5	3173	3029	3087	3173	2871	2985				5	24	9	31				-5.2	
25,0	3029	3029	3029	3099	2871	2925				1	13	3	17			7.1	-4.0	



Current Season ———  
Previous Season ———

Current Season ———  
Previous Season ———

## Cape Wools SA

### Average Fleece Wool Prices ( Averages Topmaking Styles)

Micron	Clean Price (c/kg.)									Quantities Sold						Percentage change from previous auction			
	75-95mm			60-70mm			40-55mm			75-95mm		60-70mm		40-55mm		75-95	60-70	40-55	
	Hi	Lo	Avg	Hi	Lo	Avg	Hi	Lo	Avg	Lots	Bales	Lots	Bales	Lots	Bales				
17,5																			
18,0				4540	4540	4539						1	4					7.3	
18,5				4324	4195	4217	4035	3332	3555			3	12	4	14				
19,0				4020	3934	3992	3191	3191	3191			2	3	1	3			-6.8	-17.4
19,5				4048	3578	3784	3893	2496	3394			8	33	10	18			-0.3	-6.1
20,0	3902	3902	3901	3794	3171	3543	3694	2496	3188	1	1	26	106	15	47	3.6	-3.4	-2.9	
20,5	3902	3203	3343	3794	3171	3479	3361	2496	3165	3	9	31	116	22	84	-5.2	-1.4	-3.2	
21,0	3428	3203	3340	3534	2849	3297	3361	2704	3149	4	17	36	127	27	95	-5.9	-4.2	-1.6	
21,5	3428	3246	3313	3489	2849	3263	3296	2501	3009	7	61	44	187	29	91	-6.7	-3.8	-2.3	
22,0	3393	3142	3303	3443	2969	3267	3304	2501	3022	8	71	34	167	25	90	-4.1	-2.0	-3.1	
22,5	3374	3142	3286	3378	3096	3289	3304	2501	2960	7	44	11	55	15	60	-2.5	-2.6	-6.1	
23,0	3249	3216	3227	3317	3090	3183	3084	2554	2816	4	27	5	43	5	17	-4.1	-3.5		
23,5	3249	3223	3225	3236	3044	3169	2992	2554	2658	2	11	6	44	3	10	-2.1	-9.8		
24,0				3055	3044	3048						2	3						
24,5																			
25,0																			

#### Other Selected Types/Qualities

Clean Price per Kilogram

	Long			Medium		
	19μ	20μ	21μ	19μ	20μ	21μ
<b>Good Quality</b>						
Lambswool	4260	3820		3758	3244	3173
Bellies	3830		3276	3736	3004	3078
Locks				2292	1977	1744
<b>Average Quality</b>						
Lambswool	4065	3735	3317	3434	3177	2627
Bellies		3418	3127	3328	3040	2853
Locks				2186	1806	1695
<b>Inferior Quality</b>						
Fleecewool	3990	3473	2995		3056	2939
Lambswool				3163	3253	2788
Bellies	3764		2959	2582	2495	2422
Locks				1381	1539	1459

#### Industry News

##### Premium for Bioclip wools

A premium of A50c/kg has been paid for Bioclip harvested wool sold last week at a special auction by Australian wool broker Elders. A total of 115 bales were offered.

Bioclip is an alternative method of harvesting, involving injecting sheep with a naturally-occurring protein that causes a break in the wool. The wool is then collected in netting placed on the sheep. The wool, therefore, does not contain any skin pieces, a source of contamination for wool processors.

Elders said on average, well-classed clips fetched a 50c premium to the standard market prices.

Some Merino producers use the Bioclip process on ewes to stop the damage to teats that sometimes occurs during shearing.