

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

Auction Date **17-Jan-2007**  
Catalogue Number **MB18**



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**Market Commentary**

**ANOTHER STEEP INCREASE IN PRICES**

**PORT ELIZABETH:** The wool market posted considerable gains for a second week in a row despite a stronger rand and Cape Wools' overall indicator rose 6,8% to close at R40,43/kg (clean).

This means that the indicator has gained 16,6% over the past two weeks, is up 34% on the opening sale and 74% higher than the corresponding sale last season.

Analysts say supply concerns and strong buying from China seem to be the main driving forces.

They say it's hard to make forecasts regarding price movements but concerns have been expressed about the substantial increases over such a short period.

The rand was trading at R7,22 against US dollar (1,6%) and at R9,33 against the euro (2%).

All long Merino fleece wools were 5% to 7% dearer.

A total of 10 584 bales was offered of which 98% was sold. Major buyers were SA Wool Exporters (2 767 bales), Modiano (1 688 bales), Stucken (1 638 bales), Chargeurs Wools (1 493 bales) and Segard Masurel (1 038 bales).

Average price movements for AWEX-type fleeces MF3, MF4 and MF5 of 70 and 80 mm were as follows: 19 microns were 7,2% dearer at R65,04/kg; 20 microns were up 5,6% at R58,70/kg; 21 microns gained 5,5% at R55,13/kg; 22 microns were up 6,7% at R53,92/kg; 23 microns were 6,2% dearer at R52,39/kg, but there were no quotes for 24 and 25 microns.

Approximately 10 000 bales have been rostered for next week's sale.

**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	65.7	54.2	Merino Fleeces	43.3	4 584	98.7	2 372	99.8
Medium Wool	27.6	33.8	Merino Bellies	6.1	647	97.2	554	98.6
Short Wool and Locks	6.7	12.0	Merino Lambs	6.6	699	95.9	543	100.0
Fine Wool (<20µ)	22.6	14.8	Merino Locks	5.1	545	99.3	562	100.0
Medium Wool (20 - 22µ)	58.9	66.1	Other	38.8	4 109	97.0	4 424	98.6
Strong Wool (22 - 24µ)	17.1	18.5	<b>Total</b>	<b>100.0</b>	<b>10 584</b>	<b>97.8</b>	<b>8 455</b>	<b>99.1</b>
Overstrong (24 - 27µ)	1.4	0.6						

**Other Indicators**

**Offerings per Port**

<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>4 043</b>	<b>3 784</b>	<b>6.8</b>	Cape Town	418	400	95.7	1 058	1 034
AWEX EMI	959	879	9.1	Durban	3 223	3 182	98.7	2 670	2 657
R/US Dollar	7.2235	7.3373	1.6	Port Elizabeth	6 943	6 767	97.5	4 727	4 692
R/A Dollar	5.6698	5.7218	0.9	<b>Total</b>	<b>10 584</b>	<b>10 349</b>	<b>97.8</b>	<b>8 455</b>	<b>8 383</b>
R/Euro	9.3360	9.5311	2.0						

**Receipts 12/01/2007**

**Main Buyers**

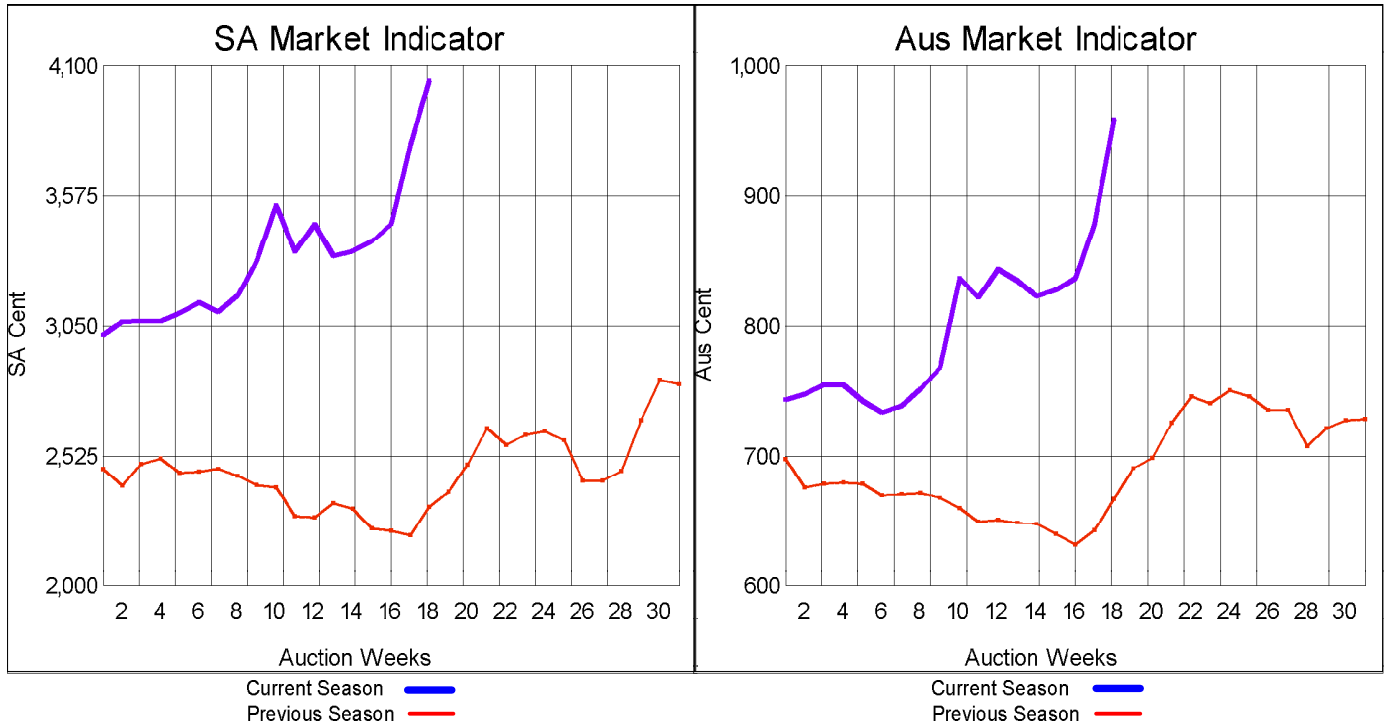
<b>Buyers</b>	<b>This Week</b>	<b>% of Sale</b>	<b>To Date</b>	<b>Season to Date (Kg)</b>		<b>Last Season (Kg)</b>		<b>% Change</b>
				<b>28 682 288</b>		<b>29 147 823</b>		
S A Wool Exporters	2 767	26.7	<b>28 924</b>	<b>Next Auction</b>				
G Modiano	1 688	16.3	<b>45 425</b>	<b>Name</b>	<b>Date</b>	<b>Offerings (Bales)</b>		
Stucken	1 638	15.8	<b>23 019</b>	S A Wool Exchange	24/01/2007	± 8 500		
Chargeurs Wool	1 493	14.4	<b>21 002</b>	Van Lill Wool Buyers	23/01/2007	± 600		
Segard Masurel	1 038	10.0	<b>23 664</b>	Saunders et al.	23/01/2007	± 600		
ADF	910	8.8	<b>4 485</b>	Lanata	23/01/2007	± 500		
Beier Fin	741	7.2	<b>12 332</b>	<b>SA Market Indicator</b>	<b>-</b>	<b>MB18</b>	<b>4 043</b>	
Lempriere (Aus) Ltd	49	0.5	<b>1 330</b>	<b>Ave SA Market Indicator - Season to Date</b>				<b>3 322</b>
New England Wool	25	0.2	<b>689</b>	<b>Ave SA Market Indicator - Previous Season</b>				<b>2 461</b>

# 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		6612	6956																	
18.5		6569			6315	5759														
19.0		6431	6687	6321									8.1	5.3						
19.5		6304	6388	6178		5360	4866						2.5			4.1				
20.0		6007	5786	5955	5460	5115							4.4	3.9		2.6	2.3			
20.5		5722	5664	5583	5404	5196								4.8	6.1	5.5	4.7			
21.0		5567	5583	5443	5325	5125	4440							5.3	5.4	5.1		5.9	-3.6	
21.5		5536	5442	5430	5307	5056	4391							6.3	6.7	7.4	7.3	5.3	4.9	
22.0		5512	5473	5311	5154	4870	4608								7.4	5.1	6.1	3.6		
22.5	5460	5488	5256	5227	5180	4909									3.6	3.7		4.5		
23.0		5176		5239	5093	4750								3.6		5.9				
23.5		5177	5290	5278		4541	4305													
24.0		5151		4700																

\* 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																				
19.0																				
19.5						6002														
20.0						5638	5604													6.5
20.5						5508	5492	5208	5513	3218										4.5 3.7 11.5
21.0						5187	5315	4826	5247											5.4 3.8 -2.9 17.7
21.5						5220	5254	5197	4284	4864										5.5 6.6 -9.5 3.2
22.0						5228			4889											6.6
22.5																				
23.0																				
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
<b><u>Good Quality</u></b>						
Lambswool	6013	5545	5296	5309	4965	4611
Bellies	5475	5299	5175	5294	4949	4734
Locks				3748	3265	3282
<b><u>Average Quality</u></b>						
Lambswool	5938	5820	4926	4939	4919	4091
Bellies	5451	5306	4950	5142	4746	4487
Locks	4899	3178	2695	3788	3177	2943
<b><u>Inferior Quality</u></b>						
Fleecewool	5572	5270	4909		4006	
Lambswool				4999	4816	
Bellies	5634	4774	4248	4751	4257	4214
Locks		2876	2666	2622	2762	2740

### Industry News

#### **Czech Republic largest importer in first 5 months**

The Czech Republic, China and Italy are vying for the top spot as this season's largest importer of South African wool.

Export figures for July to November 2006 show that 20,8% of the total value of wool exported was shipped to the Czech Republic, followed by Italy (20,6%) and China (20%).

The Czech Republic imported mainly grease wool (2,8 million kg) grease and a small volume of processed wool (31 162 kg), while Italy imported mainly processed wool (23,4 million kg) and a smaller volume of grease wool (1,3 million kg).

China imported 2,5 million kg grease and 260 198 kg processed wool.