

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

Auction Date **2-Mar-2006**  
Catalogue Number **MA23**



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**Market Commentary**

**SOLID DEMAND, WEAKER RAND PUSH PRICES UP**

**PORT ELIZABETH:** The wool market saw prices improving at this week's sale on the back of solid demand from all sectors of the trade and a slightly weaker rand and Cape Wools' indicator gained 1,6% to close at R26,12/kg (clean).

The rand was trading at around R6,12 to the US dollar for most of the day compared with R6,10 last week, and was 7c weaker against the Euro.

In the Merino long wool categories fine wools posted considerable gains after last week's drop. Most broader types rose 1% to 3%, with 23 microns emerging as the star performer with gains of nearly 4%.

A total of 9 150 bales were offered of which 95% traded hands. Major buyers were Modiano (2 823 bales), SA Wool Exporters (1 820 bales), Stucken (1 428 bales), Chargeurs Wool (735 bales), and United Wool (684 bales).

Average clean prices for good quality long (75 - 95mm) Merino fleeces (spinners' and good topmakers' styles) were as follows: 19 microns (8 lots) gained 4,5% at R43,93/kg; 20 microns (24 lots) were up 2,3% to R38,39/kg; 21 microns (31 lots) gained 1,4% at R35,35/kg; 22 microns (23 lots) were 1,2% dearer at R34,45/kg; 23 microns (6 lots) rose 3,9% at R34,40/kg, 24 microns (4 lots) were 1,5% dearer at R32,20/kg, and 25 microns (1 lot) were 1,2% up at R30,66/kg.

Next week, approximately 9 000 bales will come under the hammer

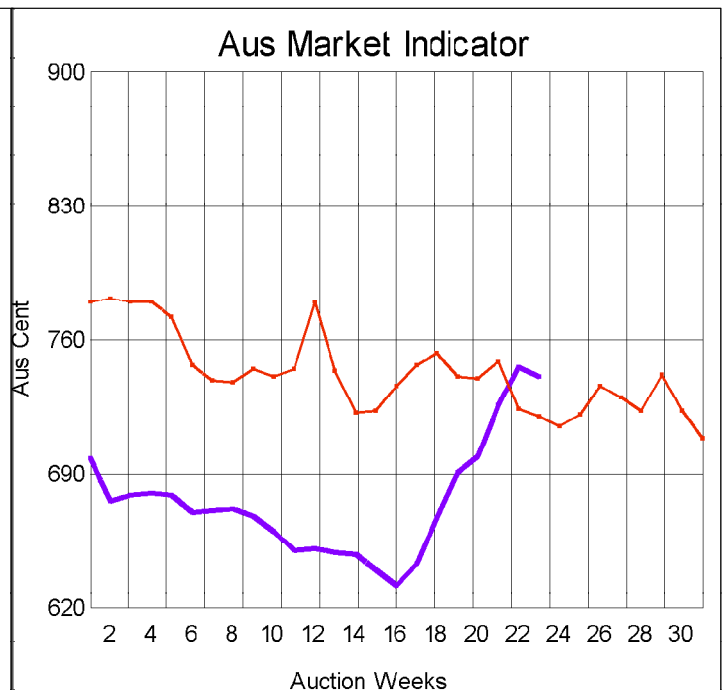
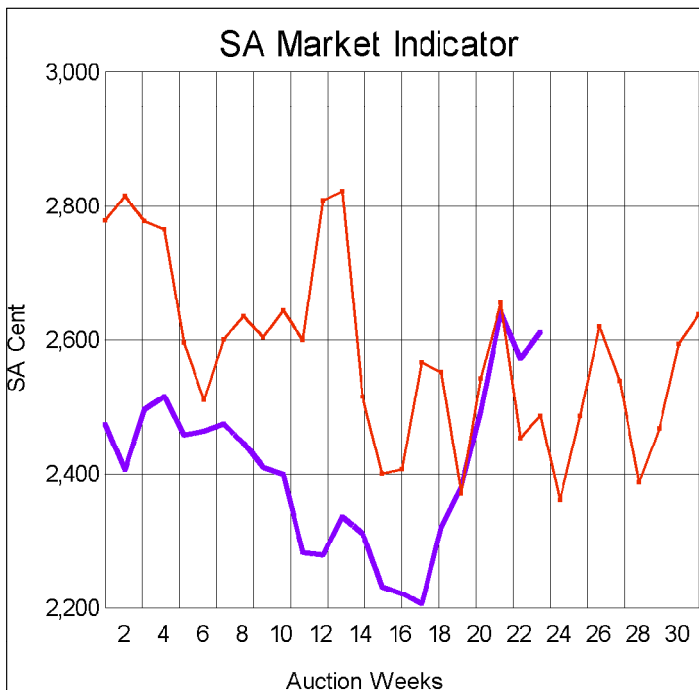
**Auction Analysis**

<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	42.5	45.4	Merino Fleeces	41.4	3 789	95.1	3 999	88.3	
Medium Wool	51.2	49.7	Merino Bellies	5.0	453	87.6	569	90.0	
Short Wool and Locks	6.3	4.9	Merino Lambs	7.0	641	88.8	715	82.7	
Fine Wool (<20µ)	15.5	14.5	Merino Locks	4.3	390	99.5	400	97.0	
Medium Wool (20 - 22µ)	60.8	63.4	Other	42.4	3 877	95.2	4 633	92.3	
Strong Wool (22 - 24µ)	21.0	20.8	<b>Total</b>	<b>100.0</b>	<b>9 150</b>	<b>94.5</b>	<b>10 316</b>	<b>90.1</b>	
Overstrong (24 - 27µ)	2.7	1.3							
<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>2 612</b>	<b>2 572</b>	<b>1.6</b>	Cape Town	1 395	1 251	89.7	1 634	1 273
AWEX EMI	741	746	-0.7	Durban	3 291	3 222	97.9	2 586	2 469
R/US Dollar	6.1258	6.1017	-0.4	Port Elizabeth	4 464	4 174	93.5	6 096	5 554
R/A Dollar	4.5683	4.4951	-1.6	<b>Total</b>	<b>9 150</b>	<b>8 647</b>	<b>94.5</b>	<b>10 316</b>	<b>9 296</b>
R/Euro	7.3091	7.2614	-0.7						
<b>Main Buyers</b>				<b>Receipts 24/02/2006</b>					
<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>33 653 402</b>	<b>35 079 172</b>	<b>-4.1</b>			
G Modiano	2 823	32.6	<b>49 184</b>	<b>Next Auction</b>					
SA Wool Exporters	1 820	21.0	<b>27 548</b>	<b>Name</b>	<b>Date</b>	<b>Offerings (Bales)</b>			
Stucken	1 428	16.5	<b>30 750</b>	S A Wool Exchange	08/03/2006	± 8 000			
Chargeurs Wool	735	8.5	<b>32 779</b>	Van Lill Wool Buyers	07/03/2006	± 650			
United Wool	684	7.9	<b>17 663</b>	Saunders et al.	07/03/2006	± 800			
ADF	584	6.8	<b>10 438</b>	Lanata	07/03/2006	± 410			
Beier Fin	559	6.5	<b>14 813</b>	<b>SA Market Indicator</b>	<b>-</b>	<b>MA23</b>	<b>2 612</b>		
Lempriere (Aus) Ltd	14	0.2	<b>779</b>	<b>Ave SA Market Indicator - Season to Date</b>			<b>2 410</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	Lots	bales	Lots
17,5							3911	3911	3911					1	2			
18,0	4755	4755	4754	4851	4583	4617	4065	4065	4065	1	1	4	6	1	2		0.4	-1.9
18,5	4719	4719	4718	4647	4404	4487	4469	3526	4024	1	2	7	15	8	14	10.2	1.1	8.8
19,0	4580	4214	4393	4531	3827	4300	4148	3283	3963	8	28	10	34	11	25	4.5	-0.1	3.6
19,5	4395	3834	4134	4347	3799	4080	4148	2991	3632	16	61	24	89	33	81	0.5	4.2	3.1
20,0	4127	3618	3839	4196	3452	3760	3971	2880	3369	24	116	36	152	36	93	2.3	1.6	
20,5	3926	3214	3701	3936	3303	3549	3793	2880	3282	36	202	52	266	39	138	2.1	-0.3	1.5
21,0	3745	3214	3535	3614	3303	3452	3492	2801	3170	31	211	46	255	39	210	1.4	0.4	-0.1
21,5	3603	3257	3481	3575	3294	3426	3377	2605	3084	29	248	51	333	51	341	1.3	1.3	-2.1
22,0	3561	3257	3445	3514	3163	3374	3301	2605	3041	23	196	41	211	41	282	1.2	0.7	-2.9
22,5	3485	3257	3421	3446	3163	3353	3274	2605	3063	17	135	28	148	18	139	2.4	0.5	-2.8
23,0	3476	3317	3440	3430	3127	3301	3274	2484	2967	6	57	13	84	18	98	3.9	-0.8	6.3
23,5	3368	3226	3290	3292	3127	3265	3136	2484	2898	4	10	8	58	15	55	2.8	2.5	4.2
24,0	3323	3118	3220	3237	2733	3142	3136	2634	2947	4	10	11	68	7	14	1.5	1.1	5.9
24,5	3118	3066	3100	3225	2696	3116	2634	2634	2634	2	5	10	83	1	2	0.4	4.4	
25,0	3066	3066	3066	3107	2696	3063	2747	2747	2746	1	2	2	22	1	6	1.2	4.7	
25,5				3107	2784	3090	2747	2747	2746			2	20	1	6			
26,0				2784	2784	2783						1	1					
26,5				2796	2784	2790						2	2					



Current Season — (Blue line)  
Previous Season — (Red line)

Current Season — (Blue line)  
Previous Season — (Red line)

## 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							4518	4434	4456					2	4			
18,0							4454	4060	4127					4	8			
18,5							4260	3467	3801					5	12			6.9
19,0				4458	3838	4208	3796	3796	3796			8	20	1	3	5.4	19.0	
19,5				4458	3119	3744	3796	2881	3333			13	28	11	37	-1.1	-1.8	
20,0	3475	3475	3475	3958	3072	3407	3665	2329	3075	1	14	15	60	18	52	-10.9	-3.8	-3.5
20,5	3575	3475	3483	3831	3072	3384	3665	2329	3045	2	16	22	111	27	90	4.2	-2.7	-3.8
21,0	3575	3307	3416	3475	3121	3350	3394	2546	3031	4	27	28	193	23	71	2.3	1.6	-3.8
21,5	3424	3210	3314	3475	3088	3309	3394	2546	3029	5	30	34	234	28	108	0.0	1.4	0.7
22,0	3424	3210	3303	3475	3069	3236	3376	2582	2958	5	29	28	205	28	118		-1.0	-2.1
22,5	3422	3210	3253	3446	3069	3230	3178	2582	2832	4	10	17	135	20	59	-1.0	-1.8	-4.3
23,0	3422	3262	3300	3202	3038	3144	3141	2296	2739	3	7	5	32	10	36	2.3	-1.2	-2.7
23,5	3262	3262	3261	3038	3004	3027	2856	2296	2728	1	4	2	6	5	20	1.1	-4.5	2.6
24,0	3262	3262	3261	3004	3004	3003	2856	2767	2809	1	4	1	2	2	13		-1.5	
24,5																		
25,0																		
25,5																		
26,0																		
26,5																		

#### Other Selected Types/Qualities

Clean Price per Kilogram

	Long			Medium		
	19μ	20μ	21μ	19μ	20μ	21μ
<b>Good Quality</b>						
Lambswool	4367	3936	3373	3619	3239	3158
Bellies					3171	2957
Locks				2041	2128	2007
<b>Average Quality</b>						
Lambswool	4209	3837	3596	3444	3099	2833
Bellies			3320	2987	2784	2787
Locks				2488	1998	1760
<b>Inferior Quality</b>						
Fleecewool	4115	3440	3238	3746	3023	2906
Lambswool						2899
Bellies		3180		3251	2115	2394
Locks				1434	1546	1523

#### Industry News

##### China's apparel sales up in December

China's apparel sales turned in a strong December performance and continue to outperform sales of other major apparel consuming countries such as US, UK, France, Italy, Germany and Japan, reports The Woolmark Company (TWC).

According to China's National Bureau of Statistics, December apparel retail sales (in value terms) for the major department stores surged 44,9% year-on-year, which contributed to a growth of 25% for the whole of 2005. This is the fifth consecutive year of increased sales.

Retail sales have been assisted by the growth in real income levels, which overtook economic growth rates for the first time in 14 years during the first half of 2005.