

CAPE WOOLS SA
Final Wool Sales Report and Price Summary

Auction Date **22-Mar-2006**

Catalogue Number **MA25**



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Market Commentary

WOOL SLIGHTLY CHEAPER

PORT ELIZABETH: The weaker rand failed to lift the wool market and prices were generally lower at this week's sale. Cape Wools' indicator closed down 1,4% at R25,90/kg (clean). The local market took its cue from the Australian market, which lost some ground despite a weaker dollar.

Analysts say a downward adjustment was expected following the steep rise in grease wool prices, which saw the indicator gaining 18% since January. Local prices were also slightly higher than Australian prices for similar types at the previous sale.

Prices dropped across the board with the broader wools posting the biggest drops. A total of 11 134 bales were offered of which 90% was sold. Major buyers were Modiano (2 270 bales), SA Wool Exporters (2 106 bales), Stucken (1 865 bales), Chargeurs Wool (1 087 bales), and ADF (986 bales).

Average clean prices for good quality long (75 - 95mm) Merino fleeces (spinners' and good topmakers' styles) were as follows: 19 microns (5 lots) dropped 1,2% at R44,24 /kg; 20 microns (20 lots) were up 0,7% to R38,98/kg; 21 microns (23 lots) shed 1,8% at R34,90 /kg; 22 microns (17 lots) were 1,9% cheaper at R34,18/kg; 23 microns (9 lots) shed 2,9% at R33,07/kg, 24 microns (10 lots) were down 4,4% at R31,43/kg, but there were no quotes for 25 microns due to the limited offering

No sale has been rostered for next week. Sales will resume on 5 April when approximately 7 500 bales will come under the hammer.

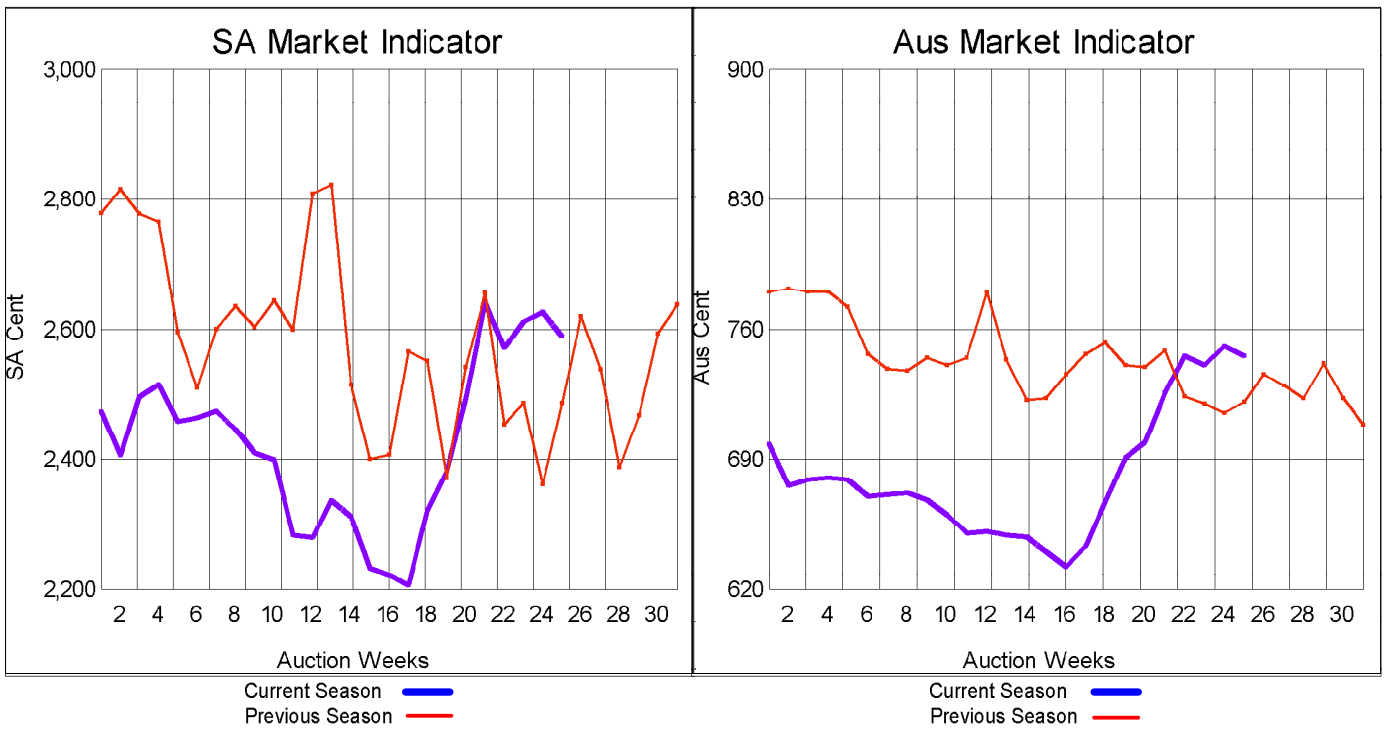
Auction Analysis

Composition of Fleece Offerings				Analysis of Offerings					
Description	% This Week	% Prev Week	Description	This Week			Previous Week		
				%	Bales	% Sold	Bales	% Sold	
Long Wool	35.6	43.7	Merino Fleeces	39.4	4 391	90.1	4 733	97.7	
Medium Wool	53.0	51.3	Merino Bellies	6.8	759	84.8	675	95.6	
Short Wool and Locks	11.4	4.9	Merino Lambs	9.3	1 040	85.7	876	93.7	
Fine Wool (<20µ)	14.3	23.2	Merino Locks	6.9	766	95.2	837	98.6	
Medium Wool (20 - 22µ)	59.3	57.2	Other	37.5	4 178	90.3	3 142	95.9	
Strong Wool (22 - 24µ)	21.7	18.6	Total	100.0	11 134	89.7	10 263	96.8	
Overstrong (24 - 27µ)	4.7	1.0							
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	2 590	2 627	-1.4	Cape Town	1 564	1 410	90.2	727	650
AWEX EMI	746	751	-0.7	Durban	3 236	2 988	92.3	4 144	4 067
R/US Dollar	6.3397	6.2492	-1.4	Port Elizabeth	6 334	5 594	88.3	5 392	5 214
R/A Dollar	4.5462	4.5917	1.0	Total	11 134	9 992	89.7	10 263	9 931
R/Euro	7.6593	7.4421	-2.9						
Main Buyers				Receipts 17/03/2006					
Buyers	This Week	% of Sale	To Date	Season to Date (Kg)		Last Season (Kg)		% Change	
				36 456 867	37 907 450	-3.8			
G Modiano	2 270	22.7	54 597	Next Auction					
SA Wool Exporters	2 106	21.1	31 512	Name	Date	Offerings (Bales)			
Stucken	1 865	18.7	34 459	S A Wool Exchange	05/04/2006	± 7 000			
Chargeurs Wool	1 087	10.9	34 995	Van Lill Wool Buyers	04/04/2006	± 200			
ADF	986	9.9	12 422	Saunders et al.	04/04/2006	± 150			
Beier Fin	877	8.8	16 353	Lanata	04/04/2006	± 390			
United Wool	690	6.9	19 053	SA Market Indicator	-	MA25	2 590		
Lempriere (Aus) Ltd	111	1.1	921	Ave SA Market Indicator - Season to Date			2 426		
				Ave SA Market Indicator - Previous Season			2 568		

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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							4528	4528	4528					1	2			5.5
18,0	4793	4793	4792	4757	4413	4649	4215	4215	4215	1	2	4	17	1	1	-1.0	-0.7	0.8
18,5	4601	4515	4591	4614	4346	4487	4404	3260	3744	2	17	4	9	3	8	-2.9	-3.3	-10.7
19,0	4493	4332	4424	4401	4023	4243	3925	3250	3570	5	34	7	13	5	14	-1.2	-4.2	-9.5
19,5	4428	3812	4121	4396	3736	4029	4040	2933	3398	16	82	21	54	25	67	-1.7	-0.1	-9.1
20,0	4111	3668	3898	4116	3382	3696	4040	2868	3315	20	86	25	105	38	125	0.7	-2.9	-6.3
20,5	3916	3422	3621	3923	3269	3554	3679	2864	3223	21	101	34	166	51	209	-2.1	-1.6	-4.6
21,0	3700	3422	3490	3708	3095	3480	3455	2767	3095	23	192	50	246	50	311	-1.8	-0.4	-5.3
21,5	3530	3324	3451	3580	2919	3404	3455	2652	3047	23	180	55	253	53	348	-1.5	-1.6	-4.8
22,0	3493	3299	3418	3489	2919	3370	3381	2643	3004	17	96	53	262	50	307	-1.9	-1.4	-3.5
22,5	3467	3246	3375	3460	2919	3347	3323	2533	2977	15	69	38	233	39	255	-1.9	-1.7	-3.3
23,0	3388	3191	3307	3368	3166	3308	3297	2533	2988	9	48	23	158	26	169	-2.9	-0.4	0.4
23,5	3342	3117	3182	3351	3135	3258	3204	2620	2923	7	35	18	90	17	108	-4.5	0.9	2.0
24,0	3258	3117	3143	3279	2973	3151	3204	2511	2788	10	86	14	46	10	54	-4.4	0.2	1.4
24,5	3162	3062	3113	3127	2916	3059	2856	2511	2714	9	81	10	34	4	18		-1.3	0.9
25,0	3095	3003	3050	3068	2916	3009	2856	2705	2840	4	27	5	16	2	9		0.5	12.4
25,5	3062	2945	2989	3009	3009	3009	2705	2705	2705	5	73	1	2	1	1		7.0	12.0
26,0	2997	2945	2985							3	59							
26,5																		



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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							4585	4585	4584					1	1			8.0
18,0							4250	4250	4250					1	5			-2.6
18,5	4620	4620	4619	4385	4346	4355	4016	3541	3856	1	11	2	4	2	9			-13.8
19,0	4280	4280	4279	4291	4047	4116	4072	3161	3664	1	5	4	6	7	10	-1.9	-3.6	-0.9
19,5	4280	3654	4110	4291	3257	3870	4072	3102	3403	3	10	13	34	23	75			-4.8 0.9
20,0	4131	3569	3680	4154	3150	3634	3784	2700	3268	4	24	18	62	24	86	1.5	-4.4	1.1
20,5	3654	3305	3518	3853	2898	3476	3784	2681	3271	9	63	26	98	30	120	-2.0	0.2	4.5
21,0	3569	3305	3473	3546	2786	3269	3622	2637	3131	9	67	33	176	36	158	-0.4	-2.3	0.5
21,5	3478	3289	3408	3438	2786	3212	3323	2510	2979	4	25	34	227	39	153	-0.6	-2.3	-4.2
22,0	3372	3284	3337	3389	2786	3194	3323	2501	2864	4	20	25	159	27	123	0.9	-3.5	-7.4
22,5	3372	3284	3342	3389	3184	3264	3320	2501	2764	3	18	15	68	16	81	1.6	-1.3	-7.3
23,0	3372	3372	3372	3367	3124	3221	3320	2501	2834	1	9	5	13	12	41	0.8	-3.3	2.3
23,5				3124	3124	3124	3022	2562	2767			1	4	4	6			-3.8 3.0
24,0				3124	3110	3117	2819	2562	2635			2	7	3	4			1.2 -1.6
24,5				3110	2146	2792	2568	2568	2567			2	5	1	1			-9.4 -4.1
25,0				2146	2146	2146	2568	2568	2567			1	2	1	1			
25,5				2146	2146	2146	2370	2370	2370			1	2	1	2			
26,0							2370	2217	2317					2	3			
26,5							2370	2217	2317					2	3			

Other Selected Types/Qualities

Clean Price per Kilogram

	Long			Medium		
	19μ	20μ	21μ	19μ	20μ	21μ
Good Quality						
Lambswool	4291	3852	3466	3547	3268	3181
Bellies			3234	3307	3147	2494
Locks				2374	2105	1993
Average Quality						
Lambswool	4234	3621	3158	3391	3063	2906
Bellies		3439	2883	3226	2850	2740
Locks				2232	1907	1754
Inferior Quality						
Fleecewool		3623	2591	3836	2995	2901
Lambswool	3948		3315	3191	2702	2721
Bellies	3581	2875		2497	2562	2406
Locks				1909	1700	1742

Industry News

Call to limit Chinese imports

The South African Clothing and Textile Workers' Union (Sactwu) called for the proposed trade agreement with China to be benchmarked on 2002 import volumes with a voluntary quota set at such a level to reverse the job loss of the past three years. Clothing imports from China have risen 40% in the past nine months, putting increasing strain on the domestic manufacturers. An estimated 60 000 jobs have been lost in the textile industry in the past two years.

Sactwu's call follows a recent announcement by the Chinese ambassador to South Africa that the South African and Chinese governments were in talks to limit the export of garments to South Africa.