

CAPE WOOLS SA
Final Wool Sales Report and Price Summary

Auction Date **20-Apr-2006**
Catalogue Number **MA27**



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Market Commentary

WOOL MARKET LARGELY UNCHANGED

PORT ELIZABETH: With the strengthening rand and lack of direction from Australia where the market is in recess, no fireworks were expected on the local market and Cape Wools' indicator ended the day up 2c/kg at R24,27/kg (clean).

The rand this week broke through the key R6-level against the US dollar to trade at around R5,96, but was relatively unchanged against the euro.

There was good competition in the auction room, particularly for the good quality long wools, which resulted in higher prices for some of these micron categories.

Major buyers were Stucken (2 030 bales), SA Wool Exporters (1 815 bales), Modiano (1 592 bales), Chargeurs Wool (1 324 bales) and Beier Finances (795 bales).

Average clean prices for good quality long (75 - 95mm) Merino fleeces (spinners' and good topmakers' styles) were as follows: there were no quotes for 19 microns; 20 microns were up 1,2% at R36,37/kg; 21 microns gained 0,5% at R32,48/kg; 22 microns were unchanged at R31,37/kg; 23 microns shed 1% to close at R30,66/kg, 24 microns were up 1,2% at R30,29/kg, but there were no quotes for 25 microns due to the limited offering.

No sale has been rostered for next week. Dates for the remaining four sales are 3, 17 and 31 May, and 14 June.

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 | 29.5 | 32.1 | Merino Fleeces | 38.6 | 3 728 | 82.8 | 4 856 | 56.1 |
| Medium Wool | 55.9 | 57.4 | Merino Bellies | 6.2 | 595 | 94.6 | 811 | 84.5 |
| Short Wool and Locks | 14.5 | 10.5 | Merino Lambs | 7.9 | 766 | 74.4 | 1 057 | 63.4 |
| Fine Wool (<20μ) | 20.8 | 14.4 | Merino Locks | 5.6 | 540 | 94.8 | 821 | 96.3 |
| Medium Wool (20 - 22μ) | 59.8 | 61.6 | Other | 41.7 | 4 033 | 89.9 | 4 043 | 82.1 |
| Strong Wool (22 - 24μ) | 18.2 | 22.5 | Total | 100.0 | 9 662 | 86.5 | 11 588 | 70.7 |
| Overstrong (24 - 27μ) | 1.2 | 1.5 | | | | | | |

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 | 2 427 | 2 425 | 0.1 | Cape Town | 981 | 934 | 95.2 | 1 786 | 1 097 |
| AWEX EMI | 0 | 736 | -100.0 | Durban | 2 215 | 2 144 | 96.8 | 3 265 | 2 416 |
| R/US Dollar | 5.9514 | 6.0120 | 1.0 | Port Elizabeth | 6 466 | 5 281 | 81.7 | 6 537 | 4 675 |
| R/A Dollar | 4.4266 | 4.3463 | -1.8 | Total | 9 662 | 8 359 | 86.5 | 11 588 | 8 188 |
| R/Euro | 7.3441 | 7.3736 | 0.4 | | | | | | |

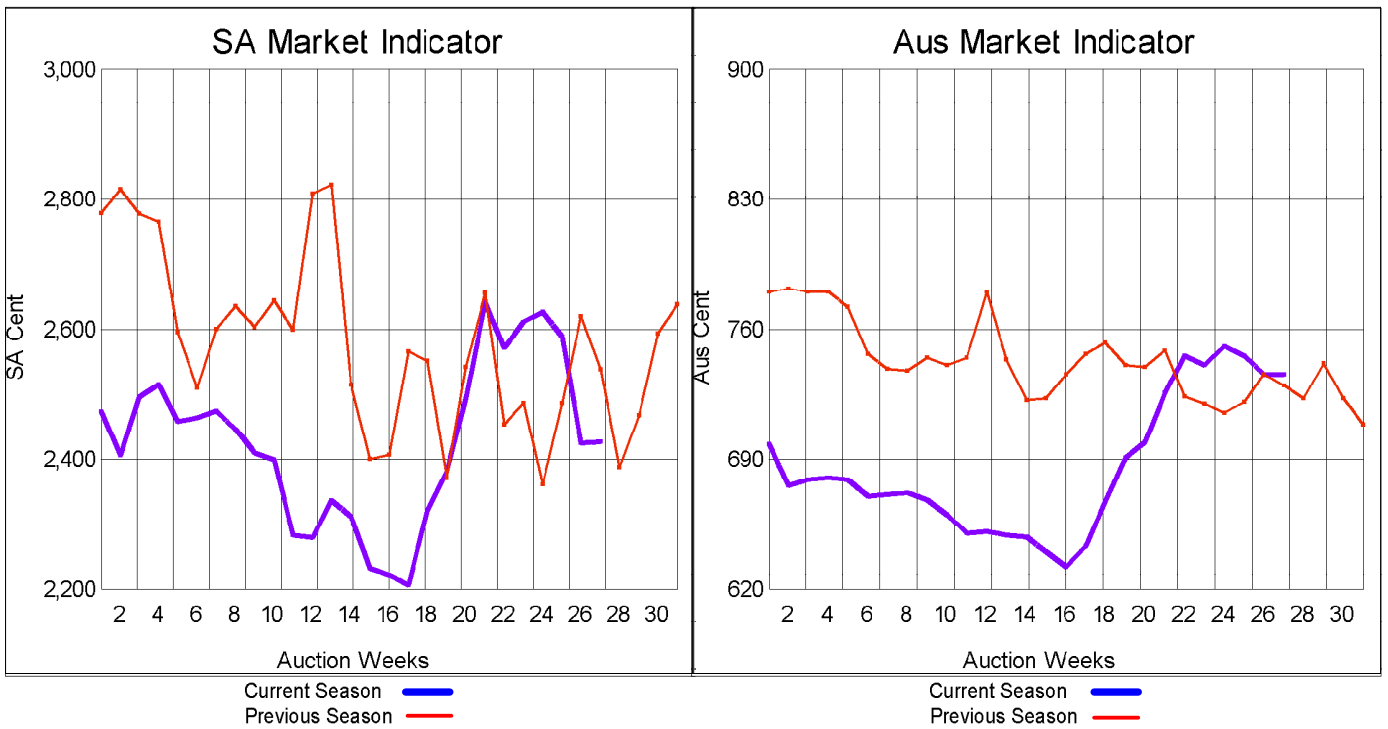
Receipts 14/04/2006

| Main Buyers | | | | Season to Date (Kg) | Last Season (Kg) | % Change |
|---------------------|-----------|-----------|---------------|--|-------------------------|--------------------------|
| Buyers | This Week | % of Sale | To Date | 39 815 980 | 40 538 538 | -1.8 |
| Stucken | 2 030 | 24.3 | 38 529 | Next Auction | | |
| SA Wool Exporters | 1 815 | 21.7 | 35 804 | Name | Date | Offerings (Bales) |
| G Modiano | 1 592 | 19.0 | 58 741 | S A Wool Exchange | 03/05/2006 | ± 9 000 |
| Chargeurs Wool | 1 324 | 15.8 | 36 812 | Van Lill Wool Buyers | 02/05/2006 | ± 150 |
| Beier Fin | 795 | 9.5 | 18 011 | Saunders et al. | 02/05/2006 | ± 550 |
| Segard Masurel | 562 | 6.7 | 20 431 | Lanata | 02/05/2006 | ± 121 |
| ADF | 241 | 2.9 | 12 663 | SA Market Indicator | - | MA27 |
| Lempriere (Aus) Ltd | 0 | 0.0 | 922 | 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 | | | | 4521 | 4098 | 4217 | 4121 | 3825 | 4008 | | | 5 | 10 | 3 | 12 | | | -5.2 |
| 18,0 | 4131 | 4131 | 4130 | 4029 | 4012 | 4021 | 3997 | 3997 | 3996 | 1 | 1 | 2 | 2 | 1 | 3 | -5.6 | -1.9 | 27.8 |
| 18,5 | 4321 | 4029 | 4262 | 4324 | 3977 | 4174 | 3999 | 3445 | 3797 | 6 | 14 | 7 | 26 | 6 | 18 | 1.0 | 2.9 | 5.9 |
| 19,0 | | | | 4251 | 3860 | 3986 | 3759 | 3003 | 3237 | | | 6 | 19 | 7 | 23 | | 2.0 | -5.1 |
| 19,5 | 4076 | 3563 | 3817 | 4058 | 3269 | 3705 | 3759 | 2884 | 3303 | 6 | 29 | 24 | 91 | 28 | 90 | 3.9 | 2.5 | 2.1 |
| 20,0 | 3969 | 3375 | 3637 | 3865 | 3268 | 3499 | 3487 | 2671 | 3129 | 12 | 57 | 36 | 151 | 27 | 79 | 1.2 | 0.4 | 1.6 |
| 20,5 | 3678 | 3159 | 3418 | 3632 | 2997 | 3323 | 3225 | 2655 | 2976 | 18 | 62 | 38 | 149 | 30 | 89 | 1.0 | -0.5 | 1.1 |
| 21,0 | 3434 | 3127 | 3248 | 3353 | 2851 | 3197 | 3224 | 2596 | 2903 | 20 | 76 | 52 | 244 | 48 | 199 | 0.5 | -1.3 | -0.4 |
| 21,5 | 3326 | 3048 | 3196 | 3292 | 2851 | 3146 | 3116 | 2531 | 2872 | 14 | 57 | 51 | 250 | 48 | 209 | -0.0 | -0.3 | -0.2 |
| 22,0 | 3174 | 3048 | 3137 | 3202 | 2880 | 3080 | 3094 | 2340 | 2804 | 9 | 26 | 37 | 135 | 33 | 173 | -0.3 | -0.5 | -1.7 |
| 22,5 | 3171 | 3075 | 3121 | 3144 | 2880 | 3067 | 3026 | 2340 | 2770 | 6 | 23 | 32 | 156 | 36 | 161 | 0.4 | 0.1 | 0.3 |
| 23,0 | 3135 | 2975 | 3066 | 3125 | 2880 | 3062 | 2910 | 2481 | 2731 | 6 | 29 | 24 | 125 | 24 | 65 | -1.0 | 0.9 | -0.3 |
| 23,5 | 3128 | 2975 | 3056 | 3108 | 2862 | 2964 | 2908 | 2486 | 2720 | 6 | 33 | 11 | 38 | 11 | 37 | 1.7 | 0.1 | -2.1 |
| 24,0 | 3059 | 2977 | 3029 | 3023 | 2733 | 2946 | 2908 | 2135 | 2640 | 5 | 24 | 11 | 55 | 8 | 29 | 1.2 | | -5.7 |
| 24,5 | 3025 | 2977 | 3000 | 3012 | 2733 | 2935 | 2352 | 2135 | 2199 | 2 | 6 | 4 | 24 | 2 | 4 | 0.8 | | |
| 25,0 | | | | 2955 | 2778 | 2880 | 2352 | 2135 | 2199 | | | 3 | 14 | 2 | 4 | | | -1.3 |
| 25,5 | | | | 2894 | 2894 | 2894 | | | | | | 1 | 4 | | | | | |
| 26,0 | | | | | | | | | | | | | | | | | | |



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Average Fleece Wool Prices (Averages Topmaking Styles)

| Micron | 75-95mm | | | Clean Price (c/kg.) | | | 40-55mm | | | Quantities Sold | | | | | | Percentage change from previous auction | | | |
|--------|---------|------|------|---------------------|------|------|---------|------|------|-----------------|---------|---------|---------|---------|---------|---|-------|-------|------|
| | Hi | Lo | Avg | Hi | Lo | Avg | Hi | Lo | Avg | 75-95mm | 60-70mm | 40-55mm | 75-95mm | 60-70mm | 40-55mm | 75-95 | 60-70 | 40-55 | |
| | | | | | | | | | | Lots | Bales | Lots | Bales | Lots | Bales | | | | |
| 17,5 | | | | 4214 | 4057 | 4128 | | | | | | 2 | 2 | | | | | | |
| 18,0 | | | | 3958 | 3931 | 3951 | | | | | | 2 | 8 | | | | | | |
| 18,5 | | | | 4095 | 3801 | 3913 | 3971 | 3328 | 3843 | | | 6 | 21 | 2 | 7 | | | -0.3 | -0.2 |
| 19,0 | | | | 4169 | 3588 | 3819 | 3747 | 3254 | 3468 | | | 6 | 16 | 5 | 16 | | | -2.3 | -7.9 |
| 19,5 | | | | 3958 | 3362 | 3577 | 3747 | 2824 | 3323 | | | 10 | 52 | 13 | 49 | | | 1.8 | -4.1 |
| 20,0 | 3485 | 3437 | 3482 | 3439 | 3078 | 3261 | 3661 | 2708 | 3098 | 2 | 19 | 8 | 39 | 17 | 70 | 4.7 | | -4.5 | 2.2 |
| 20,5 | 3485 | 3208 | 3423 | 3439 | 2861 | 3098 | 3254 | 2519 | 2926 | 5 | 28 | 15 | 63 | 25 | 111 | 3.4 | | -2.6 | 2.2 |
| 21,0 | 3437 | 2850 | 3147 | 3308 | 2798 | 3051 | 3203 | 2387 | 2837 | 7 | 21 | 27 | 114 | 34 | 140 | -1.2 | | -0.9 | 0.4 |
| 21,5 | 3139 | 2850 | 3012 | 3213 | 2798 | 3051 | 3203 | 2387 | 2743 | 6 | 33 | 29 | 135 | 33 | 132 | -3.5 | | -0.3 | -1.1 |
| 22,0 | 3139 | 2953 | 3002 | 3149 | 2866 | 3013 | 2961 | 2211 | 2692 | 3 | 22 | 21 | 112 | 23 | 93 | -2.9 | | 1.2 | 0.2 |
| 22,5 | 3018 | 3018 | 3017 | 3095 | 2866 | 2954 | 2914 | 2211 | 2683 | 1 | 8 | 11 | 49 | 17 | 71 | -1.3 | | -1.0 | -0.0 |
| 23,0 | 3018 | 2992 | 3011 | 3000 | 2788 | 2903 | 2893 | 2489 | 2695 | 2 | 11 | 8 | 30 | 6 | 17 | -1.5 | | -3.1 | -1.3 |
| 23,5 | 2992 | 2698 | 2930 | 3000 | 2788 | 2916 | 2893 | 2323 | 2506 | 2 | 4 | 5 | 18 | 8 | 18 | | | -4.2 | -7.7 |
| 24,0 | 2698 | 2698 | 2697 | 2891 | 2881 | 2885 | 2700 | 2323 | 2435 | 1 | 1 | 2 | 2 | 4 | 9 | | | 18.2 | |
| 24,5 | | | | 2891 | 2891 | 2890 | 2323 | 2323 | 2322 | | | 1 | 1 | 1 | 4 | | | 8.5 | |
| 25,0 | | | | 2891 | 2674 | 2739 | | | | | | 2 | 3 | | | | | 1.3 | |
| 25,5 | | | | 2709 | 2674 | 2684 | | | | | | 2 | 3 | | | | | -6.0 | |
| 26,0 | | | | 2709 | 2709 | 2708 | | | | | | 1 | 1 | | | | | -5.1 | |

Other Selected Types/Qualities

Clean Price per Kilogram

| | Long | | | Medium | | |
|-------------------------|------|------|------|--------|------|------|
| | 19μ | 20μ | 21μ | 19μ | 20μ | 21μ |
| Good Quality | | | | | | |
| Lambswool | 4063 | 3584 | 3234 | 3289 | 3089 | 2847 |
| Bellies | | 3153 | | | 2900 | 2625 |
| Locks | | | | 1979 | 1792 | 2156 |
| Average Quality | | | | | | |
| Lambswool | 3935 | 3374 | 3250 | 3246 | 3214 | 2852 |
| Bellies | | 3171 | | 2924 | 2738 | 2681 |
| Locks | | | | 1959 | 1869 | 1831 |
| Inferior Quality | | | | | | |
| Fleecewool | 3641 | 3137 | 2894 | 3260 | 2871 | 2648 |
| Lambswool | | | | 2755 | 2781 | 2292 |
| Bellies | | | 1934 | 2764 | 2395 | 2421 |
| Locks | | | | 1589 | 1640 | 1685 |

Industry News

Trade Unions slams China trade deal

Government and the Congress of South African Trade Unions (Cosatu) are set to clash over South-Africa's proposed trade agreement with China.

Cosatu believes the agreement will be "disastrous" for the local textiles sector and could result in further job losses. Cosatu general secretary Zwelinzima Vavi said the organisation believed that the draft agreement will work to the advantage of China and not South Africa.

According to trade and industry acting director-general Tshediso Matona South Africa has extracted significant concessions in the negotiations and China has agreed to "effect a voluntary restraint on the export of clothing".