

CAPE WOOLS SA
Final Wool Sales Report and Price Summary

Auction Date **28-Feb-2007**

Catalogue Number **MB23**



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Market Commentary

WEAKER RAND SUPPORTS WOOL MARKET

PORT ELIZABETH: The weaker rand supported the wool market at this week's sale and Cape Wools' overall indicator gained 1,8% to R38,58/kg (clean).

Developing market jitters caused a sudden, sharp decline in the value of the rand, which weakened 1,8% against the US dollar en 2,2% against the euro compared with last week. It also resulted in a great deal of instability in the currency, which fluctuated in the course of the morning.

Merino long fleece wools (spinners and good topmaking styles) posted considerable gains with 20 microns emerging as the star performer with an increase of over 4%. Other micron categories gained between 2% and 3%.

It was a fairly small sale with only 6 457 bales on offer, of which 98% changed hands. Major buyers were Modiano (1 148 bales), Segard Masurel (913 bales), SA Wool Exporters (880 bales), Chargeurs Wool (868 bales) and Stucken (829 bales).

Average price movements for AWEX-type fleeces MF3, MF4 and MF5 of 70 and 80 mm were as follows: There were no quotes for 19 microns; 20 microns were up 4,3% at R56,27/kg; 21 microns gained 2,4% at R53,90/kg; 22 microns were 2,7% dearer at R52,66/kg, and 23 microns rose 3,3% at R51,08/kg. There were no quotes for 24 and 25 microns.

Approximately 11 000 bales will be on offer at next week's sale.

Auction Analysis

Composition of Fleece Offerings			Analysis of Offerings					
Description	% This Week	% Prev Sale	Description	This Week			Previous Sale	
				%	Bales	% Sold	Bales	% Sold
Long Wool	62.2	57.8	Merino Fleeces	32.2	2 079	98.7	3 581	96.9
Medium Wool	31.4	32.4	Merino Bellies	5.5	352	92.0	640	88.8
Short Wool and Locks	6.4	9.7	Merino Lambs	7.2	467	94.9	721	90.3
Fine Wool (<20µ)	16.1	19.6	Merino Locks	3.4	220	100.0	706	98.0
Medium Wool (20 - 22µ)	62.5	63.1	Other	51.7	3 339	97.8	5 087	97.0
Strong Wool (22 - 24µ)	15.0	16.7	Total	100.0	6 457	97.6	10 735	96.1
Overstrong (24 - 27µ)	6.3	0.6						

Other Indicators

Indicators	This Week	Prev Sale	% Change	Ports	Offerings per Port				
					This Week (Bales)			Prev Sale (Bales)	
					Offered	Sold	% Sold	Offered	Sold
SA Market Indicator	3 858	3 789	1.8	Cape Town	425	404	95.1	1 106	975
AWEX EMI	906	910	-0.4	Durban	2 652	2 571	96.9	3 121	3 003
R/US Dollar	7.2285	7.1023	-1.8	Port Elizabeth	3 380	3 328	98.5	6 508	6 335
R/A Dollar	5.6889	5.6007	-1.6	Total	6 457	6 303	97.6	10 735	10 313
R/Euro	9.5404	9.3321	-2.2						

Receipts 23 February 2007

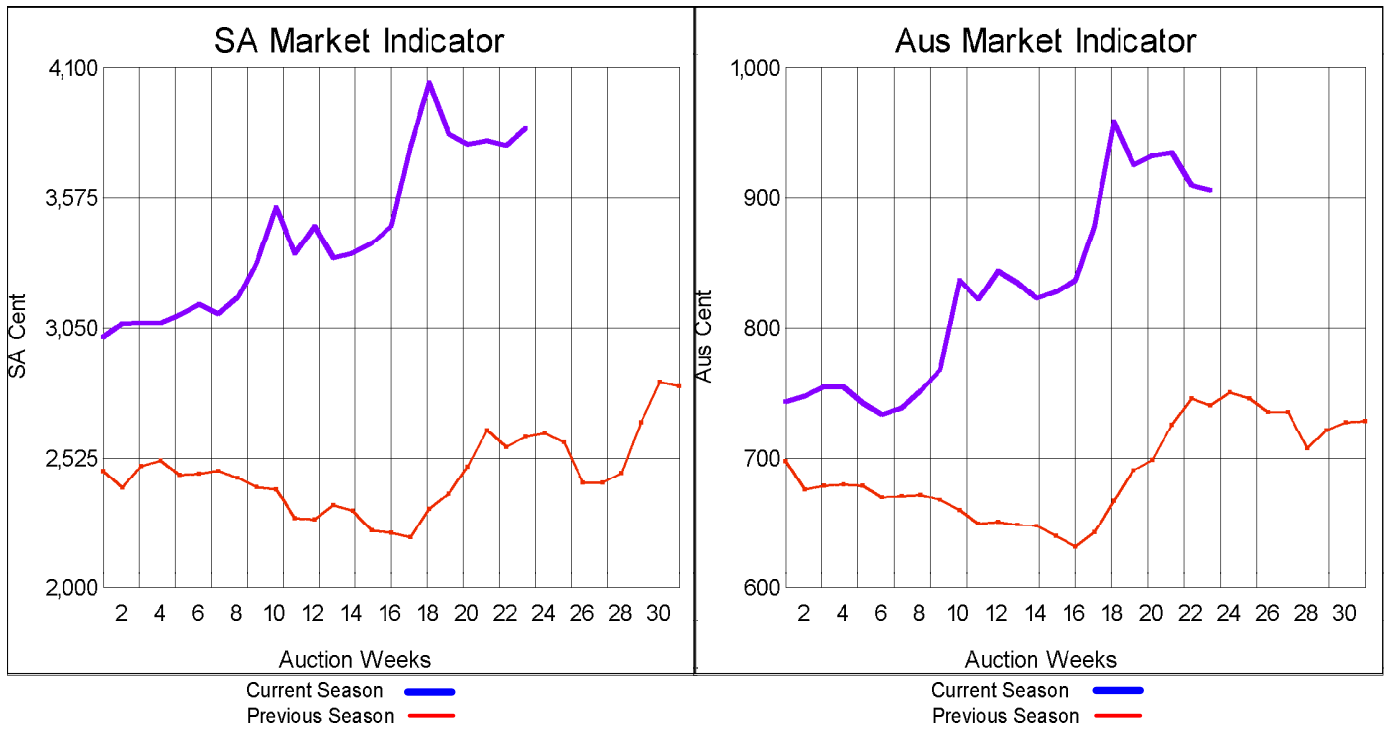
Main Buyers				Season to Date (Kg)	Last Season (Kg)	% Change
Buyers	This Week	% of Sale	To Date	36 064 200	35 023 011	3.0
G Modiano	1 148	18.2	53 948	Next Auction		
Segard Masurel	913	14.5	30 747	Name	Date	Offerings (Bales)
S A Wool Exporters	880	14.0	37 875	S A Wool Exchange	07/03/2007	± 9 500
Chargeurs Wool	868	13.8	25 103	Van Lill Wool Buyers	06/03/2007	± 500
Stucken	829	13.2	29 470	Saunders et al.	06/03/2007	± 650
Beier Fin	761	12.1	15 861	Lanata	06/03/2007	± 150
ADF	518	8.2	9 271	SA Market Indicator	-	MB23
Lempriere (Aus) Ltd	386	6.1	2 869	Ave SA Market Indicator - Season to Date		3 430
New England Wool	0	0.0	923	Ave SA Market Indicator - Previous Season		2 461

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																				
18.5																				
19.0						5384														
19.5						5639									5.3					
20.0			5627			5086									-3.9					
20.5		5510	5508	5501	5380	5199						1.4	1.5	2.9	1.8	3.6				
21.0		5348	5410	5371	5302	4974						0.4	2.4	2.4	2.2	2.4				
21.5			5324	5278		5054	4462						1.9	2.4		3.8	2.4			
22.0			5294	5239		5063							3.3	2.0		6.4				
22.5				4955										-0.4						
23.0			5098	5119		4610							5.9							
23.5																				
24.0				4755																

* 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																				
20.0							4505													
20.5						5246									6.2					
21.0			4890											-5.8						
21.5																				
22.0																				
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
Good Quality						
Lambswool	5994	5580	5316	5324	5050	4402
Bellies	5711	5139	5051		5029	4579
Locks				2935	2929	2792
Average Quality						
Lambswool	5657	5507	5161	5105	4931	4549
Bellies		5137		3981	4762	3612
Locks		2945	2277	2704	2985	2694
Inferior Quality						
Fleecewool	5317	5094	4878		4304	4568
Lambswool	5454	5009		5136		
Bellies		4575	4629	4553	3687	3791
Locks		2851				2521

Industry News

Increase in receipts, offerings and sales value

The latest Cape Wools figures show a significant improvement in overall conditions in the wool industry in 2006/07. Receipts at brokers' stores are up 1,8% compared with the corresponding period last season, while more wool has been offered at auction.

Merino offerings are up 15,2% to 137 842 bales compared with 119 659 bales in 2005/06. Total kilograms offered (including other white wools) increased by 10,6%.

In addition, the sales percentage increased to 98,8% compared with 97,2% last season, while the average yield for Merino wools improved to 63,9% from 62,6% last season.

The significant increase in prices lifted the value of wool sold to date to R691, 6-million from R405-million last season.