

CAPE WOOLS SA
Final Wool Sales Report and Price Summary

Auction Date **17-May-2006**
Catalogue Number **MA29**



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Market Commentary

WEAK RAND BOOSTS WOOL PRICES

PORT ELIZABETH: Wool prices soared on the back of a weaker currency and the overall indicator gained 8,3% to finish the day at R26,71/kg (clean).

Although the rand had regained some value after hitting an almost six-month worst level on Monday, it still was considerably weaker against major currencies compared to the previous sale two weeks ago, resulting in long fleeces gaining 8% to 12%. While prices were mainly currency driven, demand also played a role.

The sale was interrupted for a short while when buyers walked out en masse to protest against the withdrawal on Tuesday of about 1 800 bales of reoffered wool by a broker. They said the majority of these bales were good style 12-month wools, which was unusual for this time of the year and had created keen interest locally and abroad. Major buyers were Modiano (2 612 bales), SA Wool Exporters (1 900 bales), Stucken (1 269 bales), Chargeurs Wool (1 226 bales) and Beier Finances (779 bales).

Average clean prices for good quality long (75 - 95mm) Merino fleeces (spinners' and good topmakers' styles) were as follows: 19 microns rose 11,6% at R47,37/kg; 20 microns were up 12,9% at R39,31/kg; 21 microns gained 10,9% at R35,84/kg; 22 microns were 10,6% dearer at R34,53/kg; 23 microns rose 10% to close at R34,12/kg, 24 microns were up 8,6% at R33,72/kg, but there were no quotes for 25 microns.

No sale has been rostered for next week. The penultimate sale has been scheduled for 31 May when approximately 8 000 bales will be offered.

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	36.1	25.7	Merino Fleeces	44.8	4 416	97.9	4 243	84.8
Medium Wool	48.5	56.1	Merino Bellies	6.0	587	97.4	742	92.2
Short Wool and Locks	15.4	18.2	Merino Lambs	8.3	815	92.8	1 011	92.2
Fine Wool (<20µ)	9.2	17.6	Merino Locks	6.5	640	96.7	580	97.6
Medium Wool (20 - 22µ)	71.2	67.5	Other	34.5	3 407	81.7	4 321	84.6
Strong Wool (22 - 24µ)	16.8	14.3	Total	100.0	9 865	91.7	10 897	86.6
Overstrong (24 - 27µ)	2.8	0.7						

Other Indicators

Indicators	This Week	Prev Week	% Change	Ports	This Week (Bales)			Prev Week (Bales)	
					Offered	Sold	% Sold	Offered	Sold
SA Market Indicator	2 671	2 466	8.3	Cape Town	1 284	1 173	91.4	1 234	1 181
AWEX EMI	722	708	2.0	Durban	1 770	1 617	91.4	2 421	2 147
R/US Dollar	6.2149	6.0245	-3.2	Port Elizabeth	6 811	6 261	91.9	7 242	6 107
R/A Dollar	4.7682	4.6363	-2.8	Total	9 865	9 051	91.7	10 897	9 435
R/Euro	7.9705	7.6123	-4.7						

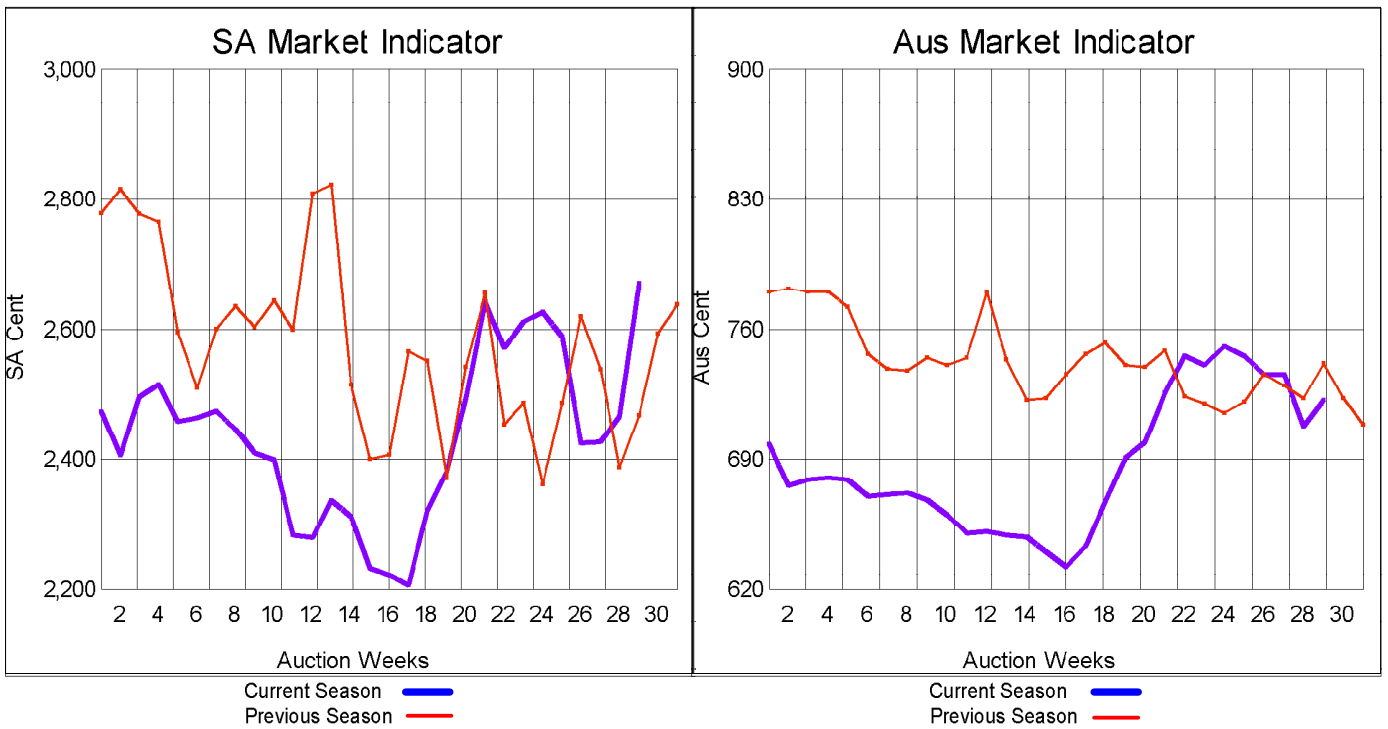
Receipts 12/05/2006

Main Buyers				Season to Date (Kg)		Last Season (Kg)		% Change
Buyers	This Week	% of Sale	To Date	42 044 290		42 993 750		-2.2
G Modiano	2 612	28.9	63 018	Next Auction				
SA Wool Exporters	1 900	21.0	40 533	Name	Date	Offerings (Bales)		
Stucken	1 269	14.0	42 091	S A Wool Exchange	31/05/2006	± 7 000		
Chargeurs Wool	1 226	13.5	39 005	Van Lill Wool Buyers	30/05/2006	± 200		
Beier Fin	779	8.6	19 823	Saunders et al.	30/05/2006	± 700		
ADF	719	7.9	14 448	Lanata	30/05/2006	± 600		
Segard Masurel	546	6.0	21 506	SA Market Indicator	-	MA29	2 671	
Lempriere (Aus) Ltd	0	0.0	922	Ave SA Market Indicator - Season to Date			2 436	
				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							4382	3508	4164					2	4			11.0
18,0	4805	4805	4804	4952	4744	4809	3740	3739	3739	1	3	3	3	2	5			11.8 5.2
18,5	4585	4585	4585	4777	4777	4776	4314	4028	4154	1	1	1	3	3	5	5.2	21.5	18.0
19,0	4762	4687	4737	4694	4367	4498	4395	3268	3817	3	3	6	12	10	26	11.6	10.4	15.5
19,5	4762	3862	4219	4475	3466	4116	4387	1405	3526	12	33	18	38	36	89	12.5	10.2	7.2
20,0	4421	3744	3931	4395	3466	3816	4168	1405	3283	19	96	37	115	56	158	12.9	9.0	2.1
20,5	3904	3378	3677	4060	3321	3605	3692	2800	3214	26	177	59	253	71	343	10.9	10.2	7.2
21,0	3847	3361	3584	3745	3267	3514	3540	2800	3163	48	319	68	352	86	486	10.9	10.0	8.1
21,5	3674	3361	3524	3669	3026	3455	3540	2757	3140	46	355	64	324	77	384	11.9	10.6	9.6
22,0	3582	3229	3453	3537	3026	3414	3396	2552	3115	29	241	47	204	45	201	10.6	10.3	10.6
22,5	3511	3229	3429	3471	3095	3335	3390	2552	3097	25	189	31	100	30	154	10.3	8.6	14.8
23,0	3482	3383	3412	3412	3095	3308	3280	2834	3110	11	50	23	66	16	80	10.0	8.6	18.0
23,5	3417	3373	3388	3412	3095	3298	3280	2834	3038	6	26	13	43	9	25	8.7	8.0	9.0
24,0	3379	3368	3372	3383	3063	3266	3085	2639	2982	3	9	4	28	6	20	8.6	6.6	5.3
24,5	3379	3368	3372	3241	3063	3158	3046	2639	3005	2	2	3	21	4	12	8.0	3.2	11.1
25,0				3241	3187	3209	3046	2801	3012			2	13	2	6			9.9
25,5				3151	3008	3125	2801	2783	2785			4	31	2	6			3.5
26,0	3102	3102	3102	3151	3008	3122	2783	2783	2783	1	6	5	37	1	5			
26,5	3102	3102	3102	3109	3032	3068	2783	2783	2783	1	6	2	12	1	5			



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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
17,5																		
18,0																		
18,5							3717	3640	3690						2	8		-5.7
19,0				4519	4044	4405	4056	3565	3655		2	7	3	10			17.6	4.0
19,5	3990	3690	3756	4229	3563	4030	4056	3087	3479	2	6	8	19	11	46		8.5	7.4
20,0	3990	3539	3684	4229	2896	3691	3720	2938	3333	3	8	16	61	13	47		4.0	11.1
20,5	3690	3517	3547	3895	2896	3430	3591	2689	3130	4	36	21	118	27	102		7.3	6.6
21,0	3586	3243	3536	3661	2927	3313	3389	2631	2991	6	55	24	188	31	173	10.9	7.5	5.4
21,5	3586	3243	3530	3549	2911	3297	3389	2577	2876	7	51	29	242	29	184	12.1	8.3	2.6
22,0	3506	3243	3418	3441	2911	3281	3109	2406	2798	7	25	22	163	17	89	9.8	9.2	1.7
22,5	3479	3035	3380	3440	2990	3274	2956	2358	2705	5	18	14	43	15	76	12.2	7.6	-0.2
23,0	3389	3035	3212	3411	3021	3211	2956	2310	2543	2	4	12	32	8	56	7.4	7.2	-6.0
23,5				3480	3021	3356	2731	2310	2525			10	43	6	56		12.5	-5.4
24,0				3480	3081	3440	2731	2310	2552			3	26	4	38		23.3	
24,5	3259	3259	3259							1	3							
25,0	3259	3259	3259				2566	2566	2565	1	3			1	11			
25,5							2566	1855	2505					2	13			
26,0							1855	1855	1854					1	2			
26,5																		

Other Selected Types/Qualities

Clean Price per Kilogram

	Long			Medium		
	19μ	20μ	21μ	19μ	20μ	21μ
Good Quality						
Lambswool	4494	4115	3578	3720	3379	3088
Bellies	3623	3331	3331		3012	3209
Locks				2024	2449	2114
Average Quality						
Lambswool	4380	3653	3283	3509	3343	2989
Bellies		2910	2978	2830	2902	2904
Locks				2160	2201	1901
Inferior Quality						
Fleecewool	2724	3450	3222	3896	2861	2869
Lambswool	4358			3232	2024	2024
Bellies		2541		2810	2586	2755
Locks				1669	1783	1832

Industry News

Positive sentiment throughout global wool textile pipeline

Sentiment throughout the global wool textile pipeline for the June quarter is at its most positive in almost five years, says The Woolmark Company (TWC) in its latest monthly market briefing. Ordering has improved and activity levels in Western Europe and East Asia are now beginning to move up to support continued good output growth in China. The TWC says there was a welcome lift in sentiment in the Western European industry during the March quarter, with orders picking up in most sectors. Although activity remained subdued, previously high stocks of worsted weaving yarn and tops fell considerably and European processors are expected to buy more heavily in the near future.