

CAPE WOOLS SA
Final Wool Sales Report and Price Summary

Auction Date **14-Mar-2007**
Catalogue Number **MB25**



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Market Commentary

WOOL MARKET AT HIGHEST LEVEL IN FOUR YEARS

PORT ELIZABETH: A weak currency and keen demand pushed wool prices to their highest levels in four years and Cape Wools' market indicator rose 4,8% to close at R41,90/kg (clean). This is up 39% on the opening level.

The rand, with other emerging currencies, was on the back foot against major currencies and was down 1,4% against the US dollar at R7,47 and 1,9% weaker against the euro at R9,85. Local prices also followed the trend in Australia where the indicator was up 2,2% at today's sale.

Shorter, finer, quality Merino wools of 40 mm to 50 mm were well supported and fetched excellent prices. Stylish, high-yielding long wools also performed well with the biggest increases in the 22 and 23 micron categories, which rose between 7% and 8%.

The total offering comprised 10 468 bales of which 99% changed hands. Major buyers were Modiano (3 034 bales), SA Wool Exporters (2 355 bales), Stucken (1 384 bales), Chargeurs Wool (1 102 bales) and Segard Masurel (1 035 bales).

Average price movements for AWEX-type fleeces MF3, MF4 and MF5 of 70 and 80 mm were as follows: 19 microns gained 5,7% at R67,86/kg; 20 microns were up 3,8% at R61,44/kg; 21 microns rose 5,1% at R58,75/kg; 22 microns were 7,7% dearer at R58,12/kg, 23 microns rose 6,8% at R55,85/kg but there were no quotes for 24 and 25 microns.

Approximately 12 000 bales have been rostered for next week

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	63.4	69.0	Merino Fleeces	46.1	4 829	99.2	4 610	98.8
Medium Wool	27.0	24.8	Merino Bellies	5.4	565	95.8	602	92.0
Short Wool and Locks	9.6	6.1	Merino Lambs	8.0	833	0.0	878	98.4
Fine Wool (<20µ)	23.8	21.5	Merino Locks	7.6	798	99.1	611	98.7
Medium Wool (20 - 22µ)	60.3	57.9	Other	32.9	3 443	99.1	4 201	95.4
Strong Wool (22 - 24µ)	15.2	18.5	Total	100.0	10 468	98.9	10 902	97.1
Overstrong (24 - 27µ)	0.8	2.1						

Other Indicators

Offerings per Port

Indicators	This Week	Prev Sale	% Change	Ports	This Week (Bales)			Prev Sale (Bales)	
					Offered	Sold	% Sold	Offered	Sold
SA Market Indicator	4 190	3 998	4.8	Cape Town	1 313	1 303	99.2	1 073	1 063
AWEX EMI	964	928	3.9	Durban	4 378	4 347	99.3	3 654	3 632
R/US Dollar	7.4754	7.3702	-1.4	Port Elizabeth	4 777	4 700	98.4	6 175	5 891
R/A Dollar	5.8448	5.7269	-2.1	Total	10 468	10 350	98.9	10 902	10 586
R/Euro	9.8598	9.6730	-1.9						

Receipts 09 March 2007

Main Buyers

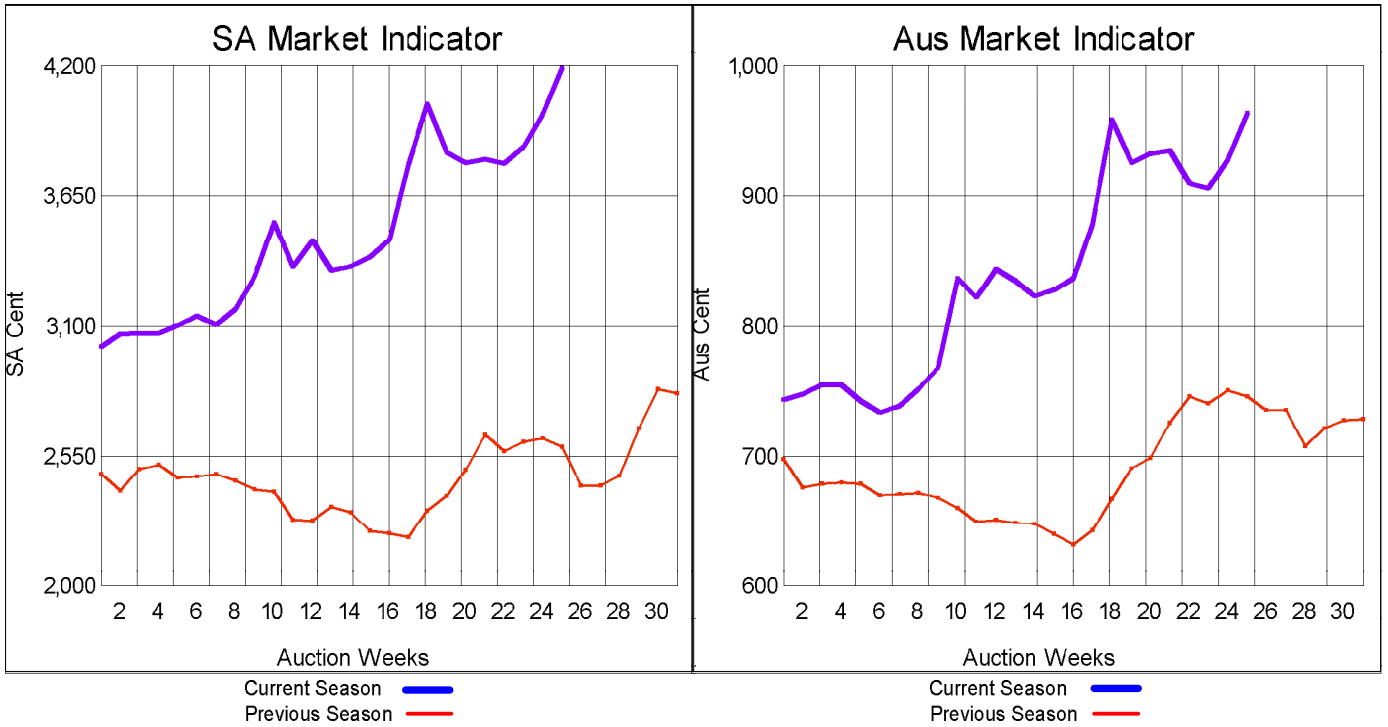
Buyers	This Week	% of Sale	To Date	Season to Date (Kg)		Last Season (Kg)		% Change
				37 595 946	36 725 689	2.4		
G Modiano	3 034	29.3	60 326	Next Auction				
S A Wool Exporters	2 355	22.8	41 204	Name	Date	Offerings (Bales)		
Stucken	1 384	13.4	32 098	S A Wool Exchange	28/03/2007	± 11 000		
Chargeurs Wool	1 102	10.6	27 410	Van Lill Wool Buyers	27/03/2007	± 450		
Segard Masurel	1 035	10.0	33 818	Saunders et al.	27/03/2007	± 700		
Beier Fin	852	8.2	17 512	Lanata	27/03/2007	± 200		
Lempriere (Aus) Ltd	537	5.2	4 712	SA Market Indicator	-	MB25	4 190	
ADF	51	0.5	9 322	Ave SA Market Indicator - Season to Date				3 483
New England Wool	0	0.0	930	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		7266		7137																
18.5			7141	6713										1.8						
19.0		6771	6786										3.6	3.9						
19.5		6631	6619	6439			5285						4.8	6.2	2.9			-0.0		
20.0		6280	6213	6076	5717	5433	5181						5.4	4.1	3.3	0.7	0.3			
20.5		6078	5978	5956	5704	5339	4829						4.7	4.1	5.1	3.6	1.4	1.1		
21.0		5931	5869	5882	5512	5194	4921						5.7	4.4	5.3	1.8	-1.2	11.3		
21.5			5858	5801	5579	5265	4960							7.5	5.6	2.6	2.9	5.2		
22.0		5829	5819	5806	5642	5012	4748						7.5	7.3	7.0	4.5	0.1	3.1		
22.5			5608	5654	5461	4876	4814							4.8	5.9	3.9	0.7	0.4		
23.0		5530	5593	5578	5348		4494						4.8	6.5	6.6	4.6				
23.5			5288	5319	5183										5.5	4.8				
24.0																				

* 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																				
20.5						5422														
21.0				5610										5.6						
21.5				5776	4937															
22.0							4186													
22.5						4926									5.7					
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	6669	6075	5899	5626	5406	4895
Bellies		5534	5388	5685	5402	4740
Locks	4460	4968		4008	3329	3055
Average Quality						
Lambswool	6486	6035		5523	5329	4834
Bellies	6288	5597	5218	5637	5212	4654
Locks	4054		3272	3366	3049	2931
Inferior Quality						
Fleecewool	5975	5595	5245		5416	
Lambswool			5541	5815	4965	
Bellies		4795	4906	5106	4812	4383
Locks	4139	3932	3063	3722	3341	3321

Industry News

WOOL RECEIPTS UP 2,4%

Receipts currently are up 2,4% compared with the same period last season as wool held back for the new South African tax year, which started on 1 March, started flowing into brokers' stores.

Brokers say the excellent production conditions and high mutton prices could have boosted producers' cash flow, enabling them to hold wool over for longer than normal. Some growers may have held their clips back in anticipation of a further increase in prices.

A brake-down of figures shows a 11,5% increase in the number of Merino bales received, while receipts of other white wools are up 6,2%.