

CAPE WOOLS SA
Final Wool Sales Report and Price Summary

Auction Date **14-Jun-2006**

Catalogue Number **MA31**



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Market Commentary

WOOL SEASON ENDS ON STABLE NOTE

PORT ELIZABETH: The final sale of the season ended on a mixed note with prices of most good quality long wools posting considerable gains, while the broader types saw slight downward corrections. Cape Wools overall indicator consequently closed down a marginal 0,6% at R28,17/kg (clean). This still is 14,5% above the 2005/06 seasonal average and almost 14% above the opening level. The rand this week slid to a fresh low and traded at R6,82 (-2,8%) against the US dollar and R8,57 (-0,4%) against the euro. Buyers say although the rand was much weaker, the larger than expected offering, of which a large percentage was re-offerings, put the market under pressure since most of them had already planned ahead and weren't bargaining on such a big offering. Good quality long wools, notably 19 and 20 and 21 microns, gained 1% to 4%, while the stronger qualities saw a slight downward correction. Of the 15 924 bales offered, 93% was cleared to the trade. Major buyers were SA Wool Exporters (4 045 bales), Stucken (3 054 bales), ADF (1 740 bales), Modiano (1 617 bales) and Beier Finances (1 605 bales). Average clean prices for good quality long (75 - 95mm) Merino fleeces (spinners' and good topmakers' styles) were as follows: 19 microns were up 4,1% at R49,10/kg; 20 microns rose 3,9% to R42,34/kg; 21 microns gained 0,9% at R37,84/kg; 22 microns were 0,9% dearer at R37,00/kg; 23 microns were down a marginal 0,3% to close at R35,99/kg, 24 microns were 1,5% cheaper at R34,72/kg. The first sale for the 2006/07 season has been scheduled for 23 August.

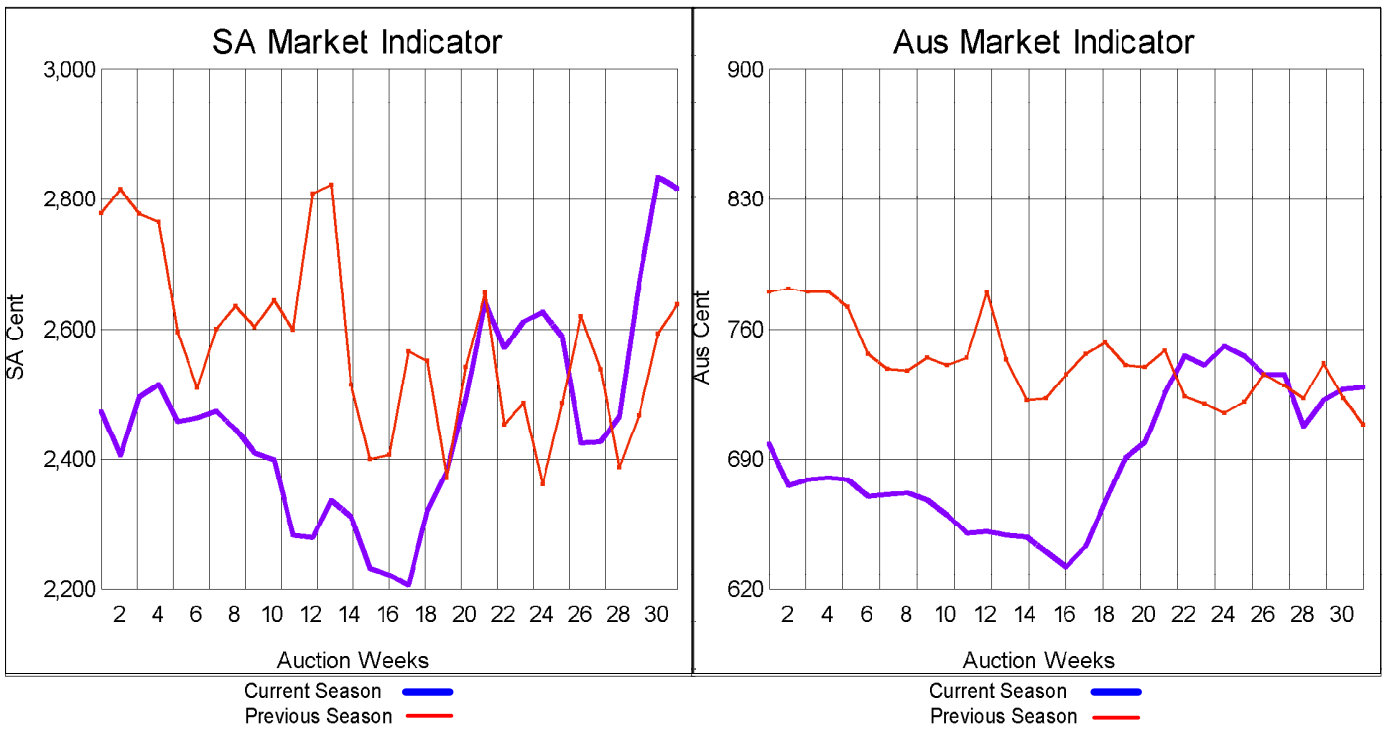
Auction Analysis

Composition of Fleece Offerings				Analysis of Offerings					
Description	% This Week	% Prev Week	Description	This Week			Previous Week		
				%	Bales	% Sold	Bales	% Sold	
Long Wool	38.3	45.7	Merino Fleeces	38.1	6 062	95.8	5 649	97.0	
Medium Wool	51.6	45.6	Merino Bellies	8.0	1 272	92.2	915	96.3	
Short Wool and Locks	10.1	8.7	Merino Lambs	10.5	1 674	88.0	1 280	96.3	
Fine Wool (<20µ)	16.7	14.7	Merino Locks	7.4	1 176	90.8	928	93.4	
Medium Wool (20 - 22µ)	59.9	63.9	Other	36.0	5 740	89.7	4 117	86.7	
Strong Wool (22 - 24µ)	21.2	20.4	Total	100.0	15 924	92.1	12 889	93.3	
Overstrong (24 - 27µ)	2.3	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	2 817	2 835	-0.6	Cape Town	1 775	1 581	89.1	1 270	1 189
AWEX EMI	729	728	0.1	Durban	1 849	1 671	90.4	2 458	2 341
R/US Dollar	6.8248	6.6407	-2.8	Port Elizabeth	12 300	11 415	92.8	9 161	8 498
R/A Dollar	5.0393	5.0562	0.3	Total	15 924	14 667	92.1	12 889	12 028
R/Euro	8.5782	8.5474	-0.4	Receipts 9/06/2006					
Main Buyers				Season to Date (Kg)		Last Season (Kg)		% Change	
Buyers	This Week	% of Sale	To Date	43 649 028		44 783 084		-2.5	
SA Wool Exporters	4 045	27.6	47 927	Next Auction					
Stucken	3 054	20.8	47 661	Name	Date	Offerings (Bales)			
ADF	1 740	11.9	17 942	S A Wool Exchange	23/08/2006	-			
G Modiano	1 617	11.0	67 226	Van Lill Wool Buyers	-	-			
Beier Fin	1 605	10.9	22 516	Saunders et al.	-	-			
Segard Masurel	1 353	9.2	23 493	Lanata	-	-			
Chargeurs Wool	1 253	8.5	41 630	SA Market Indicator	-	MA31		2 817	
Lempriere Aus) Ltd	0	0.0	922	Ave SA Market Indicator - Season to Date				2 461	
				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				5430	5363	5418						2	5					4.4
18,0	5399	5399	5399	5419	5235	5306	5056	3850	4385	1	2	7	12	5	10			1.1 3.8
18,5	5263	5176	5199	5142	4949	5072	4866	2959	4310	2	9	7	14	13	28	-0.4	1.4	-8.0
19,0	4994	4693	4910	4999	4600	4814	4568	3243	3982	5	10	12	51	10	15	4.1	-0.5	-1.4
19,5	4890	4165	4415	4853	3020	4465	4568	3205	3895	23	102	33	116	41	130	0.2	1.6	0.6
20,0	4584	3734	4234	4607	3020	4094	4461	2423	3721	31	153	53	203	64	268	3.9	0.8	3.8
20,5	4212	3712	3972	4196	3351	3880	4012	2423	3536	37	169	72	303	69	297	2.5	1.7	1.6
21,0	3971	3627	3784	4009	3175	3763	3884	2998	3425	51	246	115	565	88	353	0.9	0.9	0.7
21,5	3859	3611	3741	3839	3175	3697	3700	2880	3384	40	240	111	531	97	400	1.4	1.2	2.1
22,0	3770	3581	3700	3789	3420	3636	3623	2771	3344	28	144	89	386	76	291	0.9	0.4	2.7
22,5	3738	3481	3622	3721	3420	3586	3579	2771	3307	29	133	73	337	52	170	-0.3	-0.1	1.9
23,0	3679	3433	3599	3634	3278	3547	3478	2787	3260	24	119	48	223	33	99	-0.3	0.8	0.8
23,5	3602	3433	3546	3595	3278	3526	3474	2716	3160	11	35	44	173	24	65	-0.9	1.5	-1.7
24,0	3529	3423	3472	3566	3278	3490	3364	2716	3092	7	22	36	111	22	52	-1.5	1.4	-3.1
24,5	3490	3406	3445	3514	3296	3428	3364	2774	3139	5	19	20	51	16	29	-2.4	1.2	-2.5
25,0	3462	3271	3374	3372	3212	3322	3302	2726	2870	4	20	7	16	8	11		-1.6	-10.7
25,5	3297	3271	3277	3212	3191	3203	2774	2726	2755	2	8	2	5	3	4			2.5
26,0				3191	2792	3003						2	4					-3.9
26,5				2792	2792	2792						1	2					



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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							4541	3659	4132					2	2			-6.7
18,0	5253	5063	5181	5213	5213	5213	3782	3782	3782	2	8	1	2	1	1			-8.1
18,5							4545	3447	4177					5	9			-8.3
19,0	4906	4906	4905	4782	4363	4533	4282	3800	4084	1	1	5	9	7	24			-0.1
19,5	4282	4158	4268	4582	3574	4246	4492	2298	3811	2	9	15	70	21	62	-7.4	-5.4	3.6
20,0	4282	3875	4170	4582	3574	4128	4492	1856	3541	5	17	22	97	33	94	-4.8	4.9	1.4
20,5	4154	3744	3894	4144	3618	3892	4005	1856	3461	8	30	24	146	46	134	0.5	3.4	4.9
21,0	3945	3630	3820	3921	3368	3769	3786	2545	3321	10	28	27	132	55	162	1.5	2.8	0.5
21,5	3781	3602	3658	3763	3260	3580	3786	2265	3188	11	35	35	151	60	182	-1.3	-1.9	-2.7
22,0	3708	3547	3609	3763	3013	3540	3612	2265	3135	11	48	29	150	38	128	-1.6	-1.3	-2.7
22,5	3666	3413	3555	3763	3013	3482	3512	2675	3182	9	45	27	118	29	92	-0.0	-1.5	1.2
23,0	3584	3413	3534	3585	3038	3439	3537	2717	3212	6	30	21	85	24	66	-2.1	-0.3	5.5
23,5	3584	3376	3532	3561	3195	3404	3537	2717	3125	6	29	12	26	16	48	-1.6	0.7	10.1
24,0	3572	3376	3501	3477	3299	3378	3430	2717	3022	3	15	5	7	11	36	-1.4		6.5
24,5	3507	3376	3498	3477	2911	3106	3393	2760	3136	2	14	4	6	4	12			
25,0	3181	3181	3181	3299	2911	3007	2868	2760	2813	1	1	2	4	2	2			
25,5	3181	3181	3181	2911	2911	2910	2868	2868	2867	1	1	1	3	1	1			
26,0				3142	3142	3141								1	2			
26,5				3142	3142	3141								1	2			

Other Selected Types/Qualities

Clean Price per Kilogram

	Long			Medium		
	19μ	20μ	21μ	19μ	20μ	21μ
Good Quality						
Lambswool	4752	4362	3753	4095	3681	3346
Bellies				4214		3267
Locks				2017	2029	2373
Average Quality						
Lambswool	4583	4170	3700	3689	3371	3148
Bellies		3034	3507	3528	3310	2937
Locks				2127	2036	1856
Inferior Quality						
Fleecewool		3362	3408	3612	2547	2788
Lambswool	4001	3931		3836	3216	2840
Bellies	2940	2081	3241	2878	2755	2630
Locks				1780	1853	1865

Industry News

Wool menswear shipments from China show less seasonality

Approximately 95% of China's wool apparel exports are destined for consumption in Northern Hemisphere countries with major shipments occurring during August, September and October to arrive in readiness for the Autumn/Winter season, says The Woolmark Company in its latest wool business report.

Although China's wool menswear shipments peak during similar months, in comparison with womenswear and knitwear, these are less pronounced as shipments are also strong during other months of the year. In part, this can be explained by the increasing importance of China as a key volume supplier of men's wool suits and trousers and their emergence as trans-seasonal apparel items.