

**CAPE WOOLS SA**  
**Final Wool Sales Report and Price Summary**

Auction Date **18-Apr-2007**  
Catalogue Number **MB27**



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**Market Commentary**

**STRONG RAND AFFECTS WOOL MARKET**

**PORT ELIZABETH:** Wool prices were slightly softer at the first sale after the Easter recess, mainly as a result of a strong currency, and Cape Wools' overall indicator shed just under 1% to close at R39,92/kg (clean).

The rand was trading at its highest levels in three months against the US dollar at R7,03 (up 3,4%) compared with the last sale before the recess when it was at R7,28. It was 1,6% stronger against the euro.

Strong demand from all sectors of the trade supported the market. This week also saw the largest offering for the season with just under 15 000 bales on offer, of which 96% was sold.

Major buyers were Modiano (3 972 bales), Stucken (2 738 bales), SA Wool Exporters (2 550 bales), Segard Masurel (1 428 bales), ADF (1 317 bales) and Beier Finances (1 036 bales).

Average price movements for AWEX-type fleeces MF3, MF4 and MF5 of 70 and 80 mm were as follows: 19 microns dropped 0,9% at R64,67/kg; 20 microns were down 1,2% at R58,41 /kg; 21 microns shed 2,7% at R54,81/kg; 22 microns were 2,4% cheaper at R53,77/kg, 23 microns softened 2,3% at R52,07/kg and 24 microns dropped 1,5% at R47,18.

There will be no sale next week. The next sale has been scheduled for 2 May when 11 500 bales will be on offer. Due to the public holiday on 1 May, the Tuesday sale has been moved to Thursday, 3 May. Therefore, a provisional report will be issued on 2 May and the final report on the 3rd.

**Auction Analysis**

<b>Composition of Fleece Offerings</b>			<b>Analysis of Offerings</b>					
<b>Description</b>	<b>% This Week</b>	<b>% Prev Sale</b>	<b>Description</b>	<b>This Week</b>			<b>Previous Sale</b>	
				<b>%</b>	<b>Bales</b>	<b>% Sold</b>	<b>Bales</b>	<b>% Sold</b>
Long Wool	54.9	59.4	Merino Fleeces	39.9	5 964	95.4	4 716	91.0
Medium Wool	29.5	29.1	Merino Bellies	5.3	788	96.2	710	89.3
Short Wool and Locks	15.6	11.5	Merino Lambs	9.6	1 442	93.0	984	93.1
Fine Wool (<20μ)	16.5	17.6	Merino Locks	5.0	754	99.5	783	99.4
Medium Wool (20 - 22μ)	63.8	61.8	Other	40.2	6 011	96.6	4 805	95.0
Strong Wool (22 - 24μ)	18.0	20.0	<b>Total</b>	<b>100.0</b>	<b>14 959</b>	<b>95.9</b>	<b>11 998</b>	<b>93.2</b>
Overstrong (24 - 27μ)	1.7	0.7						

<b>Other Indicators</b>				<b>Offerings per Port</b>					
<b>Indicators</b>	<b>This Week</b>	<b>Prev Sale</b>	<b>% Change</b>	<b>Ports</b>	<b>This Week (Bales)</b>			<b>Prev Sale (Bales)</b>	
					<b>Offered</b>	<b>Sold</b>	<b>% Sold</b>	<b>Offered</b>	<b>Sold</b>
<b>SA Market Indicator</b>	<b>3 992</b>	<b>4 028</b>	<b>-0.9</b>	Cape Town	2 062	1 968	95.4	1 581	1 442
AWEX EMI	934	935	-0.1	Durban	3 548	3 487	98.3	3 373	3 115
R/US Dollar	7.0315	7.2799	3.4	Port Elizabeth	9 349	8 886	95.0	7 044	6 624
R/A Dollar	5.8772	5.8624	-0.3	<b>Total</b>	<b>14 959</b>	<b>14 341</b>	<b>95.9</b>	<b>11 998</b>	<b>11 181</b>
R/Euro	9.5587	9.7131	1.6						

**Receipts 13 April 2007**

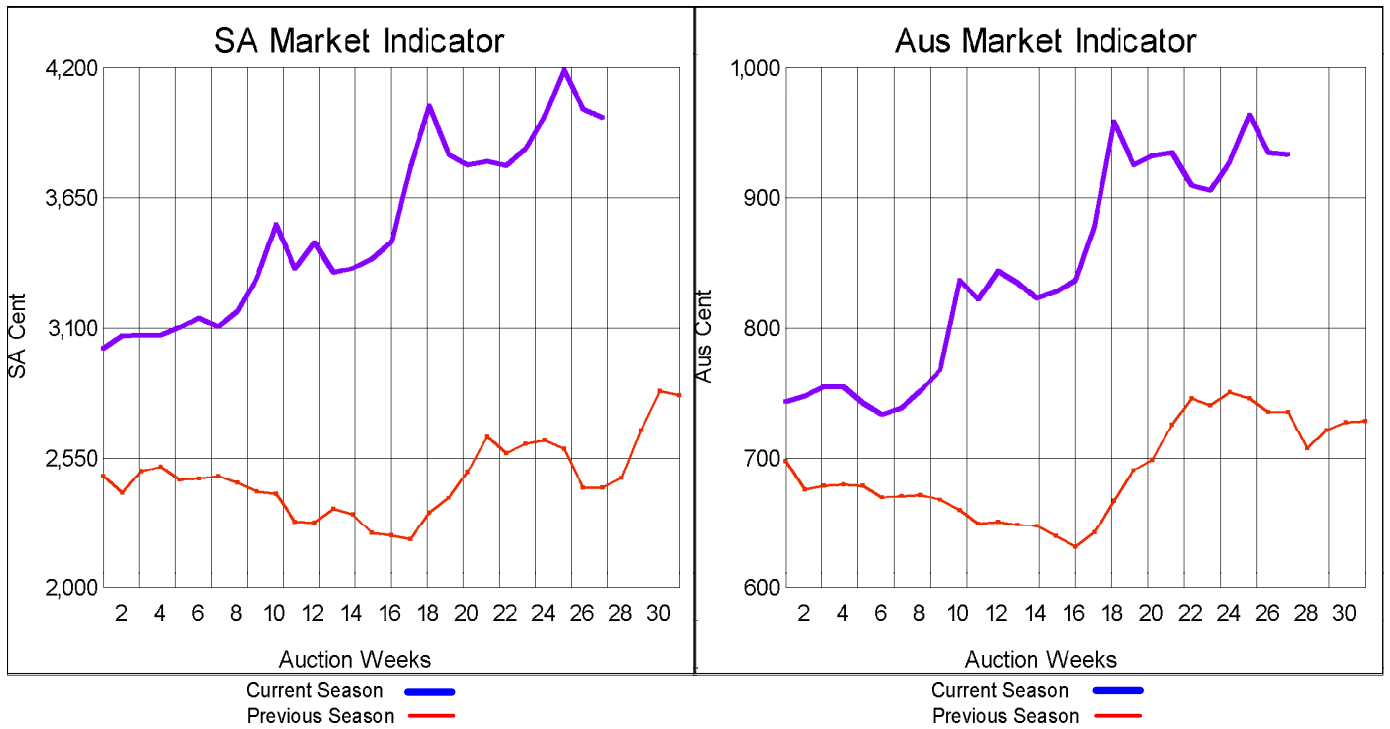
<b>Main Buyers</b>				<b>Season to Date (Kg)</b>		<b>Last Season (Kg)</b>		<b>% Change</b>
<b>Buyers</b>	<b>This Week</b>	<b>% of Sale</b>	<b>To Date</b>	<b>42 107 701</b>		<b>41 002 535</b>		<b>2.7</b>
G Modiano	3 972	27.7	<b>65 809</b>	<b>Next Auction</b>				
Stucken	2 738	19.1	<b>37 054</b>	<b>Name</b>	<b>Date</b>	<b>Offerings (Bales)</b>		
S A Wool Exporters	2 550	17.8	<b>46 035</b>	S A Wool Exchange	02/05/2007	± 10 500		
Segard Masurel	1 428	10.0	<b>37 019</b>	Van Lill Wool Buyers	03/05/2007	± 300		
ADF	1 317	9.2	<b>11 267</b>	Saunders et al.	03/05/2007	± 500		
Beier Fin	1 036	7.2	<b>19 530</b>	Lanata	-	-		
Lempriere (Aus) Ltd	961	6.7	<b>6 213</b>	<b>SA Market Indicator</b>	<b>-</b>	<b>MB27</b>	<b>3 992</b>	
Chargeurs Wool	308	2.1	<b>29 384</b>	<b>Ave SA Market Indicator - Season to Date</b>				<b>3 522</b>
New England Wool	31	0.2	<b>963</b>	<b>Ave SA Market Indicator - Previous Season</b>				<b>2 461</b>

# 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				6755	6232	5805														
19.0				6467	6105	5567	5249							-1.1		-4.8				
19.5			6293	6112	5814	5529	5236						1.2	-1.6	-1.4	-3.6	2.7			
20.0	5869	5910	5772	5549	5268	5039	3812				-1.9	-0.7	-1.7	2.0	1.0	5.6				
20.5	5781	5647	5594	5217	5139	4919					0.2	-2.9	-2.2	-3.3	0.3	6.5				
21.0	5604	5502	5461	5303	5030	4813					-0.8	-2.7	-2.9	0.2	-0.7	5.8				
21.5	5468	5473	5429	5235	4990	4665	3784				-2.9	-2.6	-2.1	-0.8	-2.2	2.0				
22.0	5399	5412	5342	5175	4852	4533					-1.9	-2.1	-2.8	-2.6	-4.5					
22.5	5259	5266	5259	4989	4767	4507					-2.5	-3.4	-2.7	-3.7	-0.7	2.2				
23.0	5199	5269	5146	5004	4809						-1.5	-3.2	-1.0	-0.1						
23.5		5060	5029			4392								-3.9						
24.0		4827	4610	4482							-1.0	-2.2	-3.0							

\* 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			6805																	
19.0																				
19.5						5314	5430	5265												-6.0
20.0					5806		5137	5020						6.7		0.8				
20.5					5474		5067	4778	4274											
21.0						5251	4983	4675							8.5	-2.3				
21.5					5272	4877	5106		4500							-4.4		10.0		
22.0						5070	5036	4760	4461											-0.9 0.4
22.5								4561	4315											6.9 2.8
23.0									4206											
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	
<b>Good Quality</b>							
Lambswool	6167	5736	5410	5540	5255	4771	
Bellies			5250	5215	5398	5074	4808
Locks	3635	3612	3402	3397	3385	3364	
<b>Average Quality</b>							
Lambswool	6075	5709		5191	4966	4615	
Bellies	5872	5290	4874	5188	4984	4174	
Locks	2988			4832	3295	3306	
<b>Inferior Quality</b>							
Fleecewool	5750	5240	5062		4734		
Lambswool	5762	5813	4992	5475		4965	
Bellies			4462	5064	5008	4766	4237
Locks			3078	2842	2920	3018	2948

#### Industry News

##### MORE WOOL TO CHINA?

A Chinese trade delegation recently signed letters of intent to import wine, copper, chemicals and wool from South Africa. China was the largest importer of South African wool for 2006 on a value basis. This agreement may lead to greater purchases from South Africa.

Wool to the value of R224 million, or 22,9% of total FOB value, was shipped to China in 2006. It was the first full year of Chinese raw wool imports from SA since the lifting of the ban on raw wool imports in June 2005. The ban was imposed in 2001 after a foot and mouth outbreak