

CAPE WOOLS SA
Final Wool Sales Report and Price Summary

Auction Date **2-May-2007**
Catalogue Number **MB28**



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Market Commentary

STRONG DEMAND PUSHES PRICES UP

PORT ELIZABETH: This week's sale saw prices rising on the back of solid demand from all sectors of the trade and Cape Wools' indicator gained 1,8% to close at R40,63/kg(clean).

The rand was slightly stronger compared with the previous sale two weeks ago at R7,01 to the US dollar and R9,52 against the euro.

All long Merino fleece wools were dearer, with most micron categories posting increases of 1% to 2%.

Receipts into wool brokers' stores and direct purchases by buyers suggest that the 2006/07 season may show a small increase in production. Deliveries up to the end of March are up by 2,7%, reflecting amongst others, the good grazing conditions of the first half of the season.

A total of 10 789 bales were offered of which 96% was sold. Major buyers were Stucken (2 551 bales), Modiano (1 974 bales), SA Wool Exporters (1 908 bales), ADF (1 257 bales) and Segard Masurel (1 168 bales).

Average price movements for AWEX-type fleeces MF3, MF4 and MF5 of 70 and 80 mm were as follows: 19 microns were a marginal 0,5% down at R64,30/kg; 20 microns were up 0,6% at R58,76/kg; 21 microns gained 2,7% at R56,30/kg; 22 microns were 1,4% dearer at R54,50/kg and 23 microns were unchanged at R52,10/kg. There were no quotes for 24 and 25 microns.

The next sale has been scheduled for 16 May when approximately 10 500 bales will come under the hammer.

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	42.8	54.9	Merino Fleeces	35.4	3 821	94.4	5 964	95.4
Medium Wool	40.6	29.5	Merino Bellies	6.3	685	96.4	788	96.2
Short Wool and Locks	16.6	15.6	Merino Lambs	10.1	1 089	95.3	1 442	93.0
Fine Wool (<20μ)	20.0	16.5	Merino Locks	5.4	579	100.0	754	99.5
Medium Wool (20 - 22μ)	58.8	63.8	Other	42.8	4 615	96.9	6 011	96.6
Strong Wool (22 - 24μ)	18.4	18.0	Total	100.0	10 789	96.0	14 959	95.9
Overstrong (24 - 27μ)	2.7	1.7						

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	4 063	3 992	1.8	Cape Town	1 285	1 244	96.8	2 062	1 968
AWEX EMI	938	934	0.4	Durban	2 539	2 441	96.1	3 548	3 487
R/US Dollar	7.0148	7.0315	0.2	Port Elizabeth	6 965	6 669	95.8	9 349	8 886
R/A Dollar	5.7828	5.8772	1.6	Total	10 789	10 354	96.0	14 959	14 341
R/Euro	9.5208	9.5587	0.4						

Main Buyers				Season to Date (Kg)		Last Season (Kg)		% Change
Buyers	This Week	% of Sale	To Date	43 638 400	42 181 994	3.5		
Stucken	2 551	24.6	39 640					
G Modiano	1 974	19.1	67 811					
S A Wool Exporters	1 908	18.4	47 976					
ADF	1 257	12.1	12 529					
Segard Masurel	1 168	11.3	38 207					
Beier Fin	859	8.3	20 389					
Chargeurs Wool	556	5.4	29 940					
Lempriere (Aus) Ltd	71	0.7	6 273					
New England Wool	10	0.1	973					

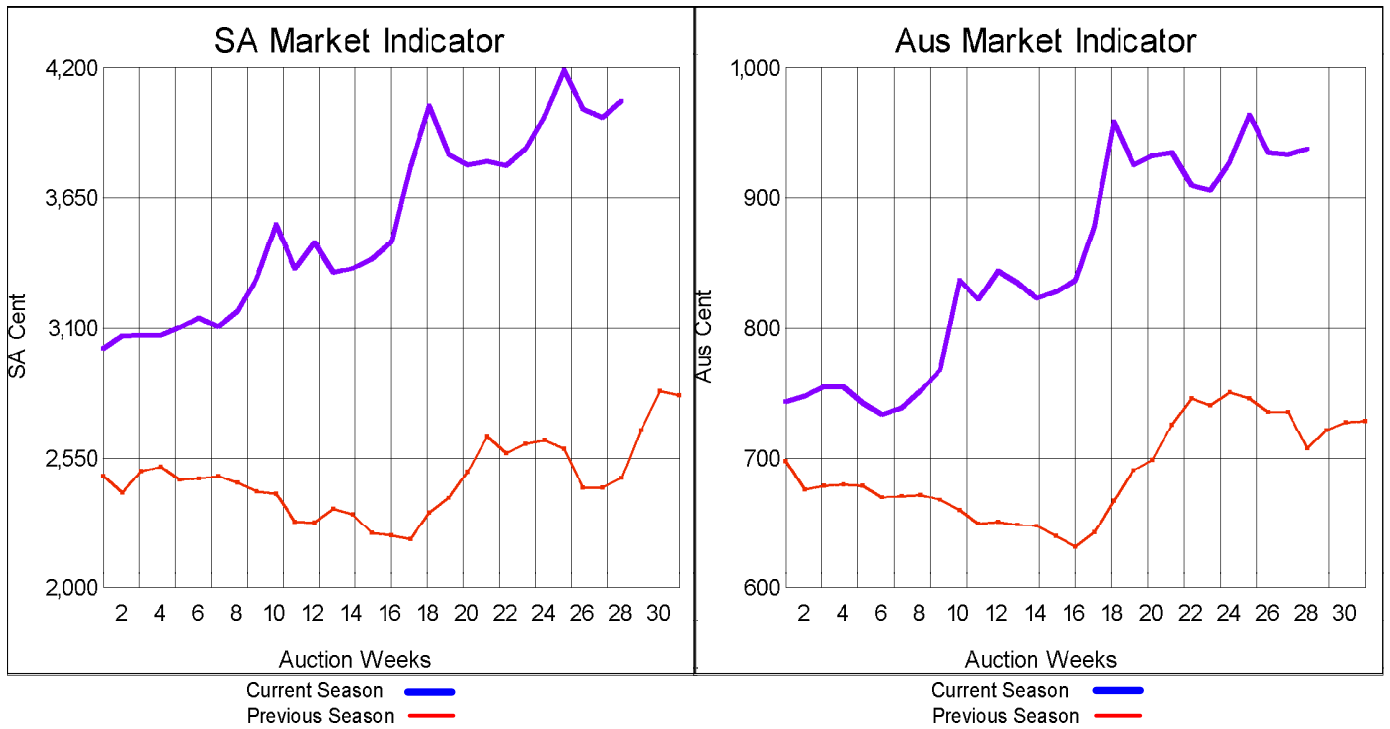
				Next Auction		
Name	Date	Offerings (Bales)				
S A Wool Exchange	16/05/2007	± 9 000				
Van Lill Wool Buyers	-	-				
Saunders et al.	15/05/2007	± 480				
Lanata	15/05/2007	± 298				
SA Market Indicator	-	MB28	4 063			
Ave SA Market Indicator - Season to Date			3 541			
Ave SA Market Indicator - Previous Season			2 461			

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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						5924										2.0				
19.0				6430		5948	5364	4921							-0.6	6.4	2.2			
19.5			6344	6264	5883	5675	5134	4833							0.8	2.4	1.2	2.6	-2.0	
20.0		6031	5853	5900	5616	5276	5066								2.7	-1.0	2.2	1.2	0.2	0.5
20.5		5845	5741	5713	5489	5202	4793								1.1	1.7	2.1	5.0	1.2	-2.6
21.0		5707	5691	5569	5341	5078	4786								1.8	3.3	2.0	0.7	1.0	-0.6
21.5		5585	5556	5474	5380	4977	4765								2.1	1.5	0.8	2.7	1.1	2.1
22.0			5468	5433	5293	4992	4608									1.0	1.7	2.2	2.8	1.6
22.5		5449	5423	5332	5278	4678	4485								3.5	2.9	1.4	5.5	-1.9	1.1
23.0				5210	4942	4670	4363									1.2	-1.3	-3.0		
23.5				5144	5110	4541										2.3				
24.0				4432	4646											-4.0	3.5			

* Based on a minimum of 3 lots sold per category



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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						5896									5.9					
19.5																				
20.0																				
20.5				5561	5452								1.6							
21.0					5472		4519							4.0		-3.4				
21.5					4984	4716								-2.5						
22.0				5230	4810	4674	4514						3.1	-4.7	-0.7	1.2				
22.5						4525										-0.8				
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	6239	5897	5301	5556	5269	4701
Bellies	5816	5631		5580	4979	4405
Locks		3614	3439	3347	3370	3366
Average Quality						
Lambswool	6224	5627	5255	5220	4910	4874
Bellies		5254		5271	4823	4154
Locks		3317		3487	3298	3228
Inferior Quality						
Fleecewool	5843	5207	4752	5837	3819	4856
Lambswool	5774			5263	2007	
Bellies		4705		4936	3848	4347
Locks			2889	2904	3087	2929

Industry News

SA clip fining up

Breeding policies continue to impact on the micron distribution of the clip. Despite the good grazing conditions last year, a micron analysis of all wool tested to date confirm a “fining-up” of the clip. Compared to the full 2005/06 season, the proportion of the clip testing finer than 20 microns has increased from just over 24% to 27,5%.

The median distribution currently is about 32% at 20,1 - 21 micron compared with around 28% last season.

Wool received to date has been of excellent quality, with stylish wools of at least MF5 comprising in excess of 40% of receipts. Yields are excellent with just under 20% of the clip testing 70% or more, compared with 14% during last season.