

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

Auction Date **16-May-2007**  
Catalogue Number **MB29**



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**Market Commentary**

**MARKET REMAINS STRONG**

**PORT ELIZABETH:** The wool market performed well in spite of a stronger currency, with prices strengthening on the back of solid demand from major buying houses. Cape Wools' overall indicator was up 1,2% at R41,13/kg (clean) which is slightly lower than the seasonal high of R41,90/kg posted in March.

This translates into a 36% rise in the indicator since the start of the season and a 55% increase compared with the same sale last season.

After losing some ground last week, the rand regained its strength earlier this week and was trading at R6,89 to the US dollar (up 1,6%) and at R9,37 against the euro (up 1,5%).

All long Merino fleece wools were dearer, with some micron categories posting increases of up to 5%.

The offering comprised 9 471 bales of which 97% was cleared to the trade. Major buyers were Stucken (2 611 bales), SA Wool Exporters (2 167 bales), Modiano (1 498 bales), Beier Finances (805 bales) and Chargeurs Wool (726 bales).

Average price movements for AWEX-type fleeces MF3, MF4 and MF5 of 70 and 80 mm were as follows: There were no quotes for 19 microns; 20 microns were up 4,2% at R61,24/kg; 21 microns gained 1,7% at R57,25kg; 22 microns were 2,3% dearer at R55,74/kg, 23 microns rose 5,4% at R54,91/kg, but there were no quotes for 24 and 25 microns.

With wool receipts tapering off, the next sale has been scheduled for 30 May. The final sale will take place on 13 June.

**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	32.3	42.8	Merino Fleeces	34.8	3 295	97.2	3 821	94.4
Medium Wool	43.6	40.6	Merino Bellies	7.5	710	96.9	685	96.4
Short Wool and Locks	24.1	16.6	Merino Lambs	9.2	871	97.4	1 089	95.3
Fine Wool (<20µ)	20.7	20.0	Merino Locks	5.9	562	99.5	579	100.0
Medium Wool (20 - 22µ)	65.6	58.8	Other	42.6	4 033	97.3	4 615	96.9
Strong Wool (22 - 24µ)	13.0	18.4	<b>Total</b>	<b>100.0</b>	<b>9 471</b>	<b>97.4</b>	<b>10 789</b>	<b>96.0</b>
Overstrong (24 - 27µ)	0.7	2.7						

**Other Indicators**

<b>Indicators</b>	<b>This Week</b>	<b>Prev Sale</b>	<b>% Change</b>	<b>Ports</b>	<b>Offerings per Port</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>4 113</b>	<b>4 063</b>	<b>1.2</b>	Cape Town	1 622	1 580	97.4	1 285	1 244
AWEX EMI	972	938	<b>3.6</b>	Durban	1 586	1 579	99.6	2 539	2 441
R/US Dollar	6.8997	7.0148	<b>1.6</b>	Port Elizabeth	6 263	6 064	96.8	6 965	6 669
R/A Dollar	5.7311	5.7828	<b>0.9</b>	<b>Total</b>	<b>9 471</b>	<b>9 223</b>	<b>97.4</b>	<b>10 789</b>	<b>10 354</b>
R/Euro	9.3793	9.5208	<b>1.5</b>						

**Receipts 11 May 2007**

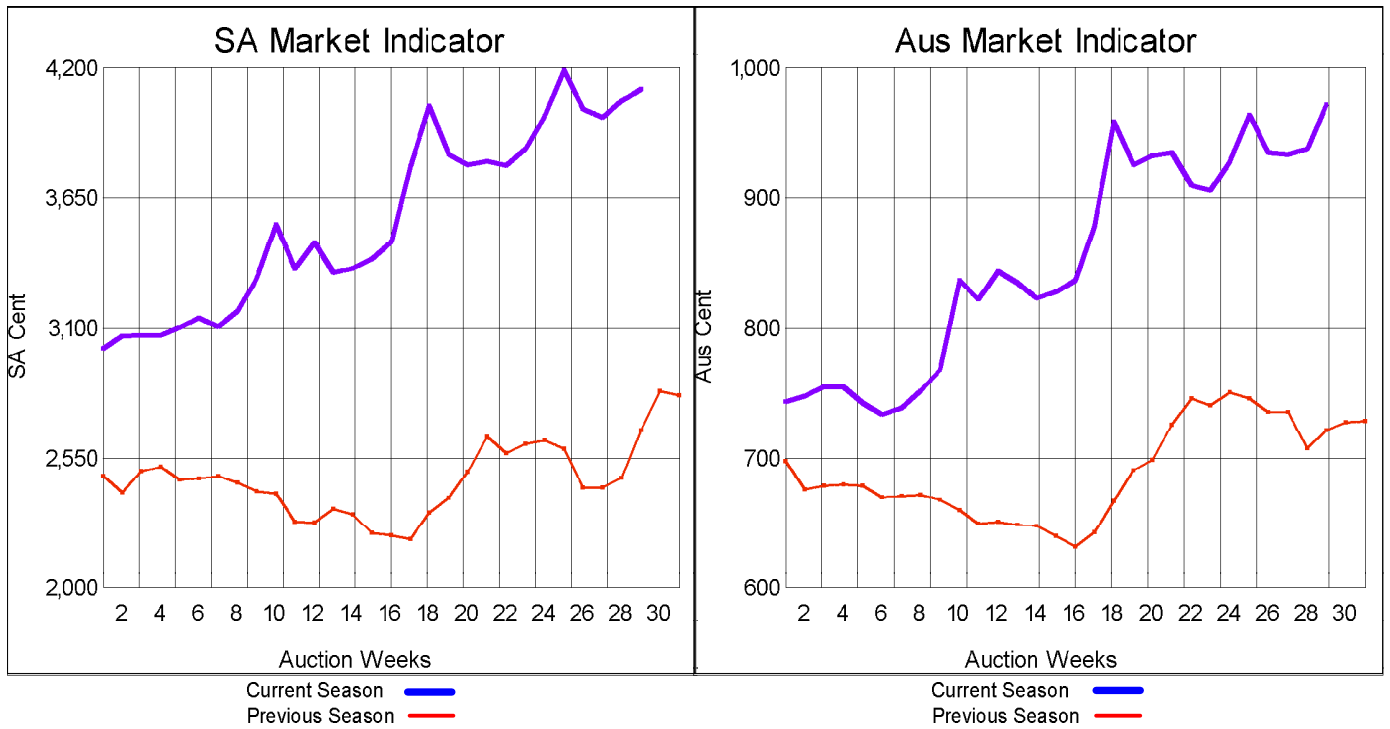
<b>Main Buyers</b>				<b>Season to Date (Kg)</b>	<b>Last Season (Kg)</b>	<b>% Change</b>
<b>Buyers</b>	<b>This Week</b>	<b>% of Sale</b>	<b>To Date</b>	<b>44 676 300</b>	<b>43 128 691</b>	<b>3.6</b>
Stucken	2 611	28.3	<b>42 266</b>	<b>Next Auction</b>		
S A Wool Exporters	2 167	23.5	<b>50 162</b>	<b>Name</b>	<b>Date</b>	<b>Offerings (Bales)</b>
G Modiano	1 498	16.2	<b>69 360</b>	S A Wool Exchange	30/05/2007	± 7 500
Beier Fin	805	8.7	<b>21 207</b>	Van Lill Wool Buyers	29/05/2007	± 400
Chargeurs Wool	726	7.9	<b>30 675</b>	Saunders et al.	29/05/2007	± 450
Segard Masurel	694	7.5	<b>38 929</b>	Lanata	-	-
Lempriere (Aus) Ltd	415	4.5	<b>6 688</b>	<b>SA Market Indicator</b>	<b>-</b>	<b>MB29</b>
ADF	275	3.0	<b>12 804</b>	<b>Ave SA Market Indicator - Season to Date</b>		<b>3 561</b>
New England Wool	32	0.3	<b>1 005</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				7158		6090										2.7				
19.0			6882		6568		5511											2.7		
19.5			6599	6402	6092	5926	5491						3.9	2.2	3.4	4.2	6.5			
20.0			6168	6081	5768	5238	4947						5.1	3.0	2.7	-0.7	-2.4			
20.5		5935	5858	5830	5504	5169	4765					1.5	2.0	2.0	0.3	-0.6	-0.6			
21.0			5744	5706	5456	5069	4716						0.9	2.4	2.1	-0.2	-1.5			
21.5			5725	5693	5462	4952	4725						3.0	3.8	1.5	-0.5	-0.9			
22.0				5574	5312	4980	4544							2.5	5.5	-0.2	-1.4			
22.5		5573	5516	5542		4919	4364					2.2	1.7	3.8		4.9	-2.8			
23.0			5528	5454	5287	4728								4.5	6.5	1.2				
23.5				5065										-1.6						
24.0					5010											7.3				

\* 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						5238	4871													
20.5				5134	4710	4962	4499						-8.3	-15.8						
21.0				4996	4487	4497								-9.5		-0.5				
21.5				5253			4733													
22.0					5221	4727								7.9	1.1					
22.5					4946		4146													
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
<b>Good Quality</b>						
Lambswool	6558	6080		5693	5252	4752
Bellies		5105	5303	5644	5135	4427
Locks		3936	3759	3480	3394	3285
<b>Average Quality</b>						
Lambswool	6007	5976		5417	4982	4741
Bellies		5065		5454	4991	4634
Locks				3213	3245	3151
<b>Inferior Quality</b>						
Fleecewool		5403	4821		5055	
Lambswool				5583	4802	
Bellies		4811		4842	3954	3231
Locks		3194	2866		2905	2906

#### Industry News

##### **More than 700 bales of organic wool to be auction**

Australia will next week hold its largest ever organic wool sale when Elders will offer more than 700 bales of certified and accredited organic wool.

Elders wool general manager Mark Rodda told the International Wool Textile Organisation congress in Edinburgh, Scotland, the worldwide organic phenomenon was no longer confined to foodstuffs, health and skincare products. The thrust had now extended to fibres.

It is yet to be seen what premiums these wools will fetch. At last years' Elders organic wool auction, where about 300 bales were offered, price premiums of only 50 Australian cents were fetched for lines of 21 and 22 micron wools.