

CAPE WOOLS SA
Final Wool Sales Report and Price Summary

Auction Date **30-May-2007**

Catalogue Number **MB30**



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Market Commentary

PRICES SURGE AT PENULTIMATE SALE OF SEASON

PORT ELIZABETH: The market posted significant gains at this week's sale, which was the penultimate sale of the season, on the back of strong demand, particularly from China, and a weaker currency. Cape Wools' market indicator was up 6,3% at R43,73/kg (clean).

This is a seasonal high and translates into a 45% rise since the opening of the season.

The rand was weaker against major currencies compared with the previous sale a fortnight ago. It was 3,7% down against the US dollar and 2,5% weaker against the euro.

All long Merino fleece wools were significantly dearer with 20 microns recording the biggest increase of 7%.

A total of 8 729 bales was offered of which 97% changed hands. Major buyers were SA Wool Exporters (2 619 bales), Modiano (1 875 bales), Stucken (1 375 bales) and Segard Masurel (1 071).

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 7,1% at R65,62/kg; 21 microns gained 5,6% at R60,48kg; 22 microns were 4,2% dearer at R58,11/kg and 23 microns rose 1% at R55,48/kg. There were no quotes for 24 and 25 microns.

The final sale has been scheduled for 13 June when approximately 13 000 bales will be offered.

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	46.2	32.3	Merino Fleeces	43.6	3 803	96.9	3 295	97.2
Medium Wool	41.0	43.6	Merino Bellies	6.7	582	97.1	710	96.9
Short Wool and Locks	12.8	24.1	Merino Lambs	10.8	941	95.7	871	97.4
Fine Wool (<20μ)	22.1	20.7	Merino Locks	7.1	621	99.7	562	99.5
Medium Wool (20 - 22μ)	61.7	65.6	Other	31.9	2 782	96.8	4 033	97.3
Strong Wool (22 - 24μ)	15.5	13.0	Total	100.0	8 729	97.0	9 471	97.4
Overstrong (24 - 27μ)	0.7	0.7						

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	4 373	4 113	6.3	Cape Town	956	939	98.2	1 622	1 580
AWEX EMI	1025	972	5.5	Durban	1 904	1 853	97.3	1 586	1 579
R/US Dollar	7.1544	6.8997	-3.7	Port Elizabeth	5 869	5 673	96.7	6 263	6 064
R/A Dollar	5.8542	5.7311	-2.1	Total	8 729	8 465	97.0	9 471	9 223
R/Euro	9.6126	9.3793	-2.5						

Receipts 25 May 2007

Main Buyers

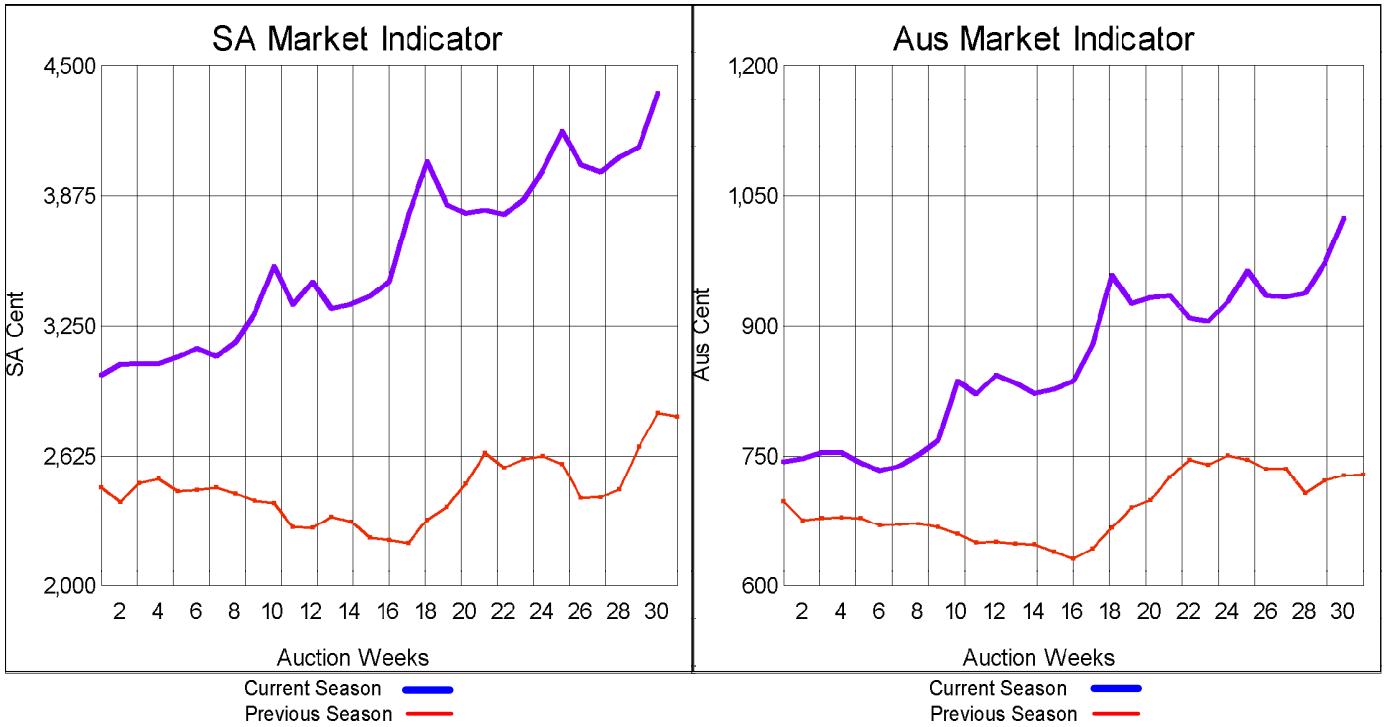
Buyers	This Week	% of Sale	To Date	Season to Date (Kg)		Last Season (Kg)		% Change
				45 872 253		45 213 187		
S A Wool Exporters	2 619	30.9	52 528	Next Auction				
G Modiano	1 875	22.2	71 223	Name	Date	Offerings (Bales)		
Stucken	1 375	16.2	43 668	S A Wool Exchange	13/06/2007	± 11 500		
Segard Masurel	1 071	12.7	40 257	Van Lill Wool Buyers	12/06/2007	± 610		
Beier Fin	771	9.1	21 978	Saunders et al.	12/06/2007	± 650		
Chargeurs Wool	494	5.8	31 169	Lanata	12/06/2007	± 920		
Lempriere (Aus) Ltd	253	3.0	6 941	SA Market Indicator	-	MB30	4 373	
New England Wool	7	0.1	1 012	Ave SA Market Indicator - Season to Date				3 588
ADF	0	0.0	12 804	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																				
18.5						6451	5901										5.6			
19.0					6771	6387	5958									3.0		7.5		
19.5			6883	6837	6596	6032	5664							4.1	6.4	7.6	1.8	3.1		
20.0			6571	6554	6132	5632	5313							6.1	7.2	5.9	7.0	6.9		
20.5		6269	6200	6234	5954	5643	4975						5.3	5.5	6.5	7.6	8.4	4.2		
21.0		6042	6071	6026	5670	5431	5125							5.4	5.3	3.8	6.7	8.0		
21.5		6022		5972	5666	5340	4777								4.7	3.6	7.3	1.1		
22.0				5811	5652	5212	4797								4.1	6.0	4.5	5.3		
22.5			5596	5665	5466	5269	4578							1.4	2.2		6.7	4.7		
23.0			5699	5397	5500	5040								3.0	-1.1	3.9	6.2			
23.5				5363												5.5				
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						5605	5186								4.6	6.1				
20.5						5627									11.9					
21.0				5973	5391	5184								7.3	13.5					
21.5		5967				4962	4773											0.8		
22.0				5699		5276									13.2					
22.5																				
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	6905	6456	6021	6029	5726	5436
Bellies		5843	5381	6463	4325	
Locks		4391	3818	3419	3442	3247
Average Quality						
Lambswool	6476	5944	6079	5654	5393	5143
Bellies	6551	5970	5082	5725	5170	4609
Locks	3150			3319	3224	3261
Inferior Quality						
Fleecewool	6491	5631	5398	5993	5150	4673
Lambswool	6859	5647	5617		5823	
Bellies	5734	5376	5316	5593	4662	4667
Locks		2636	2796	3002	2954	2934

Industry News

Huge opportunities for wool in future

As a result of a significant move towards natural, organic and eco-friendly products, huge opportunities existed for wool in the future, Jo Dawson, CEO of international wool traders H. Dawson, today told the National Woolgrowers' Association congress in Port Elizabeth.

He said in order for the industry to utilise these opportunities it would have to tell the consumer where wool came from and emphasise the fact that was a high-quality and natural product. Wool should also be positioned as a luxury fibre. Promotion would remain essential, but it would be equally important to focus on education, training, research and marketing.