

CAPE WOOLS SA
Final Wool Sales Report and Price Summary

Auction Date **09/01/2002**
Catalogue Number **MP16**



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Market Commentary

WOOL PRICES SOAR AT FIRST SALE OF NEW YEAR

Port Elizabeth - Wool prices soared at the first sale of the New Year posting their biggest jump since 1972.

With grease wool exporters and local processors clamouring for the 9 065 bales on offer, Cape Wools' market indicator gained 26,2% to close at R37,24/kg (clean). This is up 56,4% on the opening sale and up 67,6% on the corresponding sale last season.

Although the finer end of market also saw huge increases, good quality medium to stronger wools performed exceptionally well with 22 micron up 25,1% on average, while the average increase for 24 and 25 micron was 26,6% and 27,1% respectively. This sharp rise is attributed to the strong performance of the Australian market, supply concerns, and a further weakening of the rand since the previous sale in December. Buyers, however, cautioned that current price levels would be difficult to sustain over the longer term.

In Australia, the Eastern Market Indicator (EMI) earlier this week opened 9,5% up on the last sale in December and currently is 13,7% up on the December level.

Concerns over wool supplies, particularly in the mid micron ranges, has been the main driving force behind the sharp jump in Australian prices. Global supplies currently are at their lowest level in 30 years. Most grower countries are expecting production to fall further in 2001/02 due to various factors such as producers switching to other commodities, and unfavourable weather conditions. Australia's production is expected to drop 7% to about 560 million kg - its lowest level in 50 years. South Africa's production is expected to stabilise around 48 million kg.

Average price movements for good quality long (60 - 95mm) Merino fleeces (spinners' and good topmakers' styles) were as follows: 19 microns gained 31,6% at R63,53/kg, 20 microns were up 27,1% at R51,99/kg, 21 microns gained 27,9% to R49,80/kg, 22 microns were 25,1% dearer at R48,52/kg, 23 microns rose 26,6% at R48,80/kg, 24 microns gained 27,1% to R48,27/kg, and 25 microns closed 27,1% dearer at R47,54/kg.

Approximately 10 000 bales will be offered at next week's sale.

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	53.6	55.0	Merino Fleeces	34.7	3 146	98.4	6 410	98.6	
Medium Wool	40.5	38.0	Merino Bellies	6.9	628	97.9	819	97.8	
Short Wool and Locks	5.9	7.1	Merino Lambs	5.7	513	94.3	1 269	93.1	
Fine Wool (<20µ)	7.7	10.1	Merino Locks	8.3	755	100.0	915	99.1	
Medium Wool (20 - 22µ)	52.4	46.2	Other	44.4	4 023	96.2	4 174	97.6	
Strong Wool (22 - 24µ)	36.1	39.7	Total		9 065	97.3	13 587	97.8	
Overstrong (24 - 27µ)	3.8	4.0							
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	3 724	2 951	26.2	Cape Town	826	678	82.1	1 296	1 293
AWEX EMI	827	727	13.8	Durban	3 121	3 065	98.2	3 052	3 005
R/US Dollar	11.4700	10.5800	-8.4	Port Elizabeth	5 118	5 078	99.2	9 239	8 985
R/A Dollar	6.0060	5.4645	-9.9	Total	9 065	8 821	97.3	13 587	13 283
R/Euro	10.2427	9.4099	-8.9						
Main Buyers				Receipts 04/01/2002					
Buyers	This Week	Prev Week	% Change	Season to Date (Kg)		Last Season (Kg)		% Change	
				27 976 581		30 123 663		-7.1	
Stucken	1768	2268	-22.0	Next Auction					
Chargeurs Wool	1634	1827	-10.6	Name		Date		Offerings (Bales)	
United Wool	1401	910	54.0	S A Wool Exchange		16/01/2002		± 10 000	
ADF	1355	2837	-52.2	Van Lill Wool Buyers		-		-	
Beier Fin	1059	885	19.7	Saunders et al.		-		-	
G Modiano	939	3346	-71.9						
STD Wool	606	1086	-44.2						
Fibres Int	59	124	-52.4						
CPC	0	0	0.0						

Price Analysis											
Long Merino Fleece Wool (60 - 90mm)											
Spinners, Best and Good Topmakers						Average to Inferior Topmakers					
Micron	Price (c/kg)		Lots Sold		% Price Change	Micron	Price (c/kg)		Lots Sold		% Price Change
	This Week	Prev Week	This Week	Prev Week			This Week	Prev Week	This Week	Prev Week	
<18.7µ	8 810	5 878	6	21	49.9	<18.7µ	5 926	5 112	3	6	15.9
18.8-19.2µ	6 353	4 828	6	19	31.6	18.8-19.2µ	5 487	4 448	4	6	23.4
19.3-19.7µ	5 374	4 430	10	27	21.3	19.3-19.7µ	4 863	4 062	3	4	19.7
19.8-20.2µ	5 199	4 089	11	27	27.1	19.8-20.2µ	4 852	3 801	8	11	27.7
20.3-20.7µ	5 100	3 948	24	42	29.2	20.3-20.7µ	4 997	3 812	11	25	31.1
20.8-21.2µ	4 980	3 893	29	52	27.9	20.8-21.2µ	4 720	3 728	14	26	26.6
21.3-21.7µ	4 965	3 875	28	93	28.1	21.3-21.7µ	4 650	3 780	33	30	23.0
21.8-22.2µ	4 852	3 879	40	83	25.1	21.8-22.2µ	4 662	3 730	32	29	25.0
22.3-22.7µ	4 915	3 887	41	72	26.5	22.3-22.7µ	4 701	3 685	22	31	27.6
22.8-23.2µ	4 880	3 854	27	67	26.6	22.8-23.2µ	4 672	3 707	17	18	26.0
23.3-23.7µ	4 846	3 833	20	35	26.4	23.3-23.7µ	4 822	3 712	4	8	29.9
23.8-24.2µ	4 828	3 798	11	29	27.1	23.8-24.2µ	4 806	3 646	2	4	31.8
24.3-24.7µ	4 761	3 757	10	15	26.7	24.3-24.7µ	0	0	0	0	0.0
24.8-25.2µ	4 754	3 741	6	9	27.1	24.8-25.2µ	0	3 060	0	1	0.0
25.3-25.7µ	4 703	3 671	3	1	28.1	25.3-25.7µ	0	0	0	0	0.0
>25.8µ	4 603	3 460	1	4	33.0	>25.8µ	0	0	0	0	0.0
Medium Merino Fleece Wool (40 - 55mm)											
Spinners, Best and Good Topmakers						Average to Inferior Topmakers					
Micron	Price (c/kg)		Lots Sold		% Price Change	Micron	Price (c/kg)		Lots Sold		% Price Change
	This Week	Prev Week	This Week	Prev Week			This Week	Prev Week	This Week	Prev Week	
<18.7µ	5 109	5 036	4	14	1.5	<18.7µ	5 371	3 899	3	3	37.8
18.8-19.2µ	4 840	3 843	6	6	25.9	18.8-19.2µ	5 568	3 669	1	4	51.8
19.3-19.7µ	4 571	3 718	3	13	23.0	19.3-19.7µ	4 372	3 578	2	6	22.2
19.8-20.2µ	4 525	3 602	9	9	25.6	19.8-20.2µ	4 453	3 683	2	8	20.9
20.3-20.7µ	4 492	3 645	12	28	23.2	20.3-20.7µ	4 431	3 436	7	6	28.9
20.8-21.2µ	4 517	3 557	23	33	27.0	20.8-21.2µ	4 345	3 496	6	18	24.3
21.3-21.7µ	4 506	3 583	22	49	25.8	21.3-21.7µ	4 338	3 467	16	17	25.1
21.8-22.2µ	4 451	3 601	17	34	23.6	21.8-22.2µ	4 280	3 397	15	17	26.0
22.3-22.7µ	4 603	3 600	19	36	27.9	22.3-22.7µ	4 260	3 358	8	12	26.8
22.8-23.2µ	4 481	3 554	14	15	26.1	22.8-23.2µ	4 305	3 558	3	9	21.0
23.3-23.7µ	4 441	3 585	5	17	23.9	23.3-23.7µ	0	3 501	0	5	0.0
23.8-24.2µ	4 512	3 656	5	5	23.4	23.8-24.2µ	4 291	0	1	0	0.0
24.3-24.7µ	0	3 262	0	5	0.0	24.3-24.7µ	0	0	0	0	0.0
24.8-25.2µ	4 677	3 417	1	3	36.9	24.8-25.2µ	0	0	0	0	0.0
25.3-25.7µ	0	3 523	0	2	0.0	25.3-25.7µ	0	0	0	0	0.0
>25.8µ	0	3 349	0	1	0.0	>25.8µ	0	0	0	0	0.0
Short Merino Fleece Wool (20 - 35mm)											
Spinners, Best and Good Topmakers						Average to Inferior Topmakers					
Micron	Price (c/kg)		Lots Sold		% Price Change	Micron	Price (c/kg)		Lots Sold		% Price Change
	This Week	Prev Week	This Week	Prev Week			This Week	Prev Week	This Week	Prev Week	
<18.7µ	0	3 739	0	1	0.0	<18.7µ	0	0	0	0	0.0
18.8-19.2µ	0	0	0	0	0.0	18.8-19.2µ	0	2 867	0	1	0.0
19.3-19.7µ	3 214	3 284	1	1	-2.1	19.3-19.7µ	4 018	0	1	0	0.0
19.8-20.2µ	4 309	3 350	1	3	28.6	19.8-20.2µ	3 169	2 493	1	1	27.1
20.3-20.7µ	3 994	3 382	2	2	18.1	20.3-20.7µ	0	2 952	0	2	0.0
20.8-21.2µ	0	3 317	0	1	0.0	20.8-21.2µ	0	0	0	0	0.0
21.3-21.7µ	0	3 219	0	1	0.0	21.3-21.7µ	3 803	3 185	1	1	19.4
21.8-22.2µ	4 008	2 858	1	1	40.2	21.8-22.2µ	3 138	2 669	1	2	17.6
22.3-22.7µ	0	2 932	0	3	0.0	22.3-22.7µ	0	3 062	0	1	0.0
22.8-23.2µ	0	0	0	0	0.0	22.8-23.2µ	0	0	0	0	0.0
23.3-23.7µ	0	2 261	0	1	0.0	23.3-23.7µ	0	0	0	0	0.0
23.8-24.2µ	0	2 865	0	1	0.0	23.8-24.2µ	0	2 710	0	1	0.0
24.3-24.7µ	0	0	0	0	0.0	24.3-24.7µ	0	0	0	0	0.0
24.8-25.2µ	0	0	0	0	0.0	24.8-25.2µ	0	0	0	0	0.0
25.3-25.7µ	0	0	0	0	0.0	25.3-25.7µ	0	0	0	0	0.0
>25.8µ	0	0	0	0	0.0	>25.8µ	0	0	0	0	0.0

Other Types					
Spinners, Best and Good Topmakers					
Micron	Price (c/kg)		Lots Sold		% Price Change
	This Week	Prev Week	This Week	Prev Week	
Long Lambs (19μ)	6 138	4 689	2	6	30.9
Long Lambs (20μ)	5 300	3 991	1	5	32.8
Medium Lambs (19μ)	4 718	3 685	9	8	28.0
Medium Lambs (20μ)	4 354	3 403	7	7	27.9
Long Bellies (20μ)	4 518	0	3	3	0.0
Long Bellies (21μ)	4 412	3 529	4	6	25.0
Medium Bellies (20μ)	4 171	3 448	5	5	21.0
Medium Bellies (21μ)	4 212	3 433	4	10	22.7
Long Locks (Good Color)	3 250	2 347	10	10	38.5
Other Types					
Average to Inferior Topmakers					
Micron	Price (c/kg)		Lots Sold		% Price Change
	This Week	Prev Week	This Week	Prev Week	
Long Lambs (19μ)	6 107	4 859	4	3	25.7
Long Lambs (20μ)	0	3 970	0	4	0.0
Medium Lambs (19μ)	5 083	3 873	2	7	31.2
Medium Lambs (20μ)	0	3 326	0	5	0.0
Long Bellies (20μ)	4 605	3 551	1	5	29.7
Long Bellies (21μ)	4 571	3 565	4	17	28.2
Medium Bellies (20μ)	4 257	3 360	5	13	26.7
Medium Bellies (21μ)	3 972	3 474	10	21	14.3
Long Locks (Good Color)	2 452	1 771	5	6	38.5

