

National Weekly Wool Market Report

Season: 2017/2018

Sale Date: 13 September 2017



CAPE WOOLS SA

Tel: 27-41-4844301
 Fax: 27-41-4846792
 E-mail: stats@capewools.co.za
 Website: www.capewools.co.za

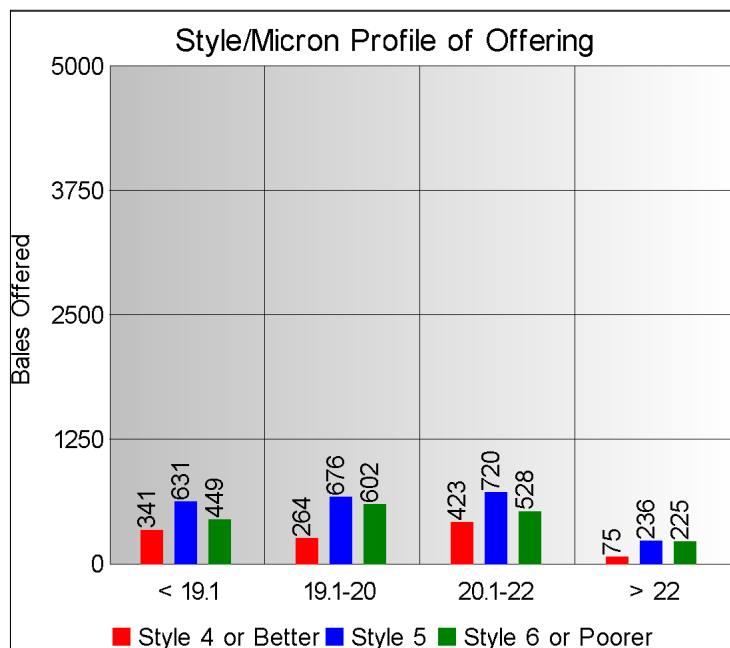
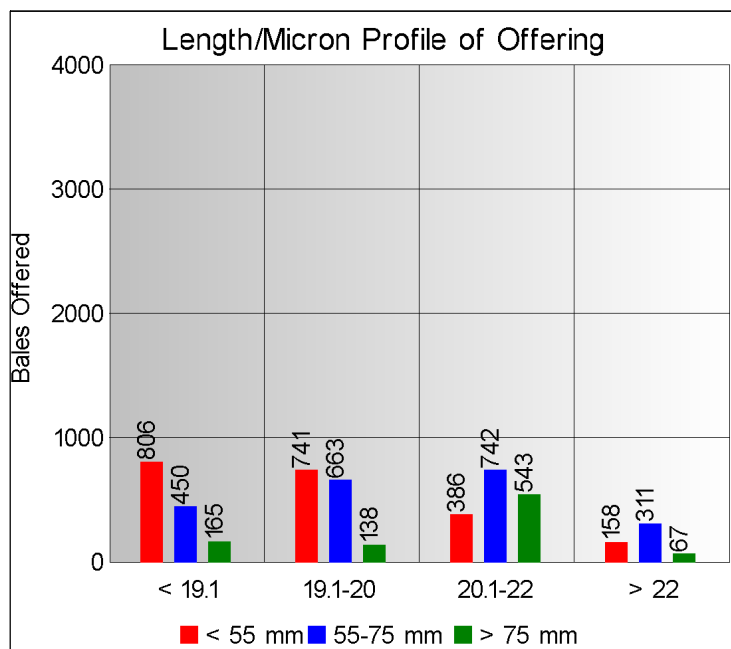
| SA Merino Indicator | | | | Buyers | | | |
|----------------------|--------------|---------------|----------|---------------------|---------------------------|----------------|-----------------------------------|
| Indicator Unit | Current Sale | Last Sale | Change | Company | Bales Purchased This Week | % of Purchases | Total Bales Purchased This Season |
| # SA c/kg | 17411 | 17366 | 0.3% | Standard Wool SA | 1609 | 31.1% | 9512 |
| Ave. to date (17/18) | 17805 | 17936 | -0.7% | G Modiano SA | 1576 | 30.5% | 10994 |
| Ave. to date (16/17) | 15261 | | | Tianyu SA | 900 | 17.4% | 6103 |
| US c/kg | 1332 | 1345 | -1.0% | Lempriere SA | 522 | 10.1% | 5591 |
| Euro c/kg | 1112 | 1129 | -1.5% | Segard Masurel SA | 227 | 4.4% | 2072 |
| AWEX EMI | 1528 | 1557 | -1.9% | Stucken & Co | 188 | 3.6% | 2545 |
| Exchange Rates | | | | New England Wool SA | 96 | 1.9% | 1143 |
| Currency Unit | This Week | Previous Week | % Change | H Dawson Sons & Co | | | |
| R/USD | 13.0737 | 12.9096 | -1.3% | | | | |
| R/Euro | 15.6588 | 15.3843 | -1.8% | | | | |
| R/AUD | 10.4878 | 10.2914 | -1.9% | | | | |
| USD/AUD | 0.7781 | 0.7969 | 2.4% | | | | |

Analysis of Offerings by Broker This Week (Bales)

| Broker | Merino Fleeces | Merino Bellies | Merino Lambs | Merino Backs | Merino Locks | * Other | Total | % Sold |
|--------------|----------------|----------------|--------------|--------------|--------------|------------|-------------|--------------|
| BKB | 1843 | 300 | 327 | 8 | 176 | 450 | 3104 | 98.7% |
| CMW | 1059 | 198 | 216 | 135 | 132 | 326 | 2066 | 99.5% |
| MAS | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| QWB | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| SBL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| VLW | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Total | 2902 | 498 | 543 | 143 | 308 | 776 | 5170 | 99.0% |

SA Merino Indicator includes Merino types comparable to international indicators.
 ## Cape Wools All Wool Indicator, includes all white wool sold at auction.

* crossbred, coarse and coloured, inferior

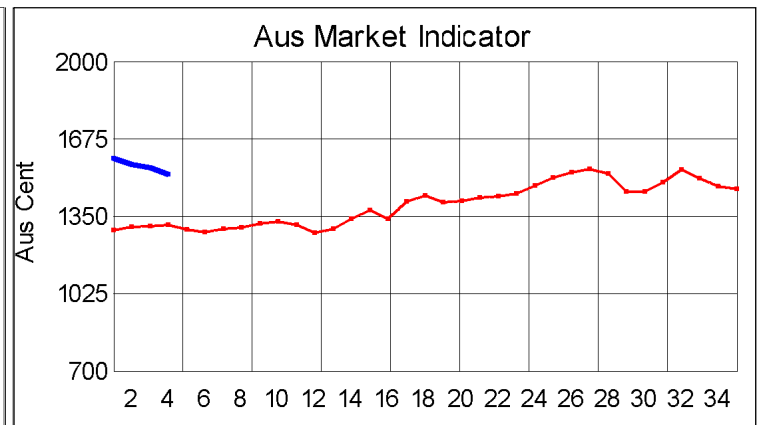
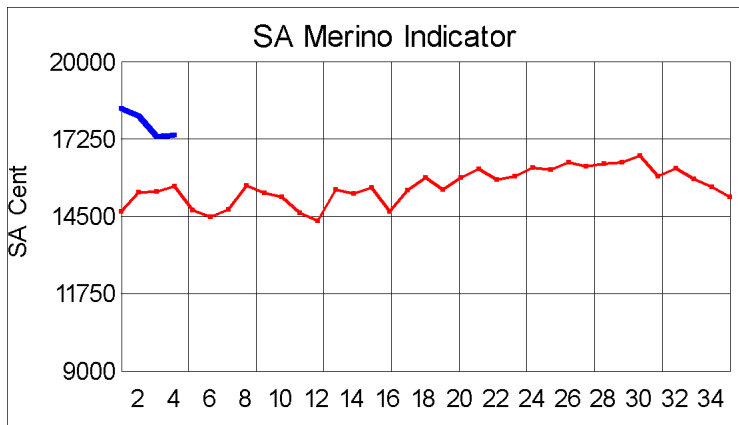


* Seasonal Receipts Declared

2017/18 Declared Receipts : 21 August 2017
 2017/18 Declared Receipts : 11 September 2017

5,882,591.8
 8,009,147.4

Percentage Change (Year-on-Year) : 14.61



Current Season — Previous Season —

**Average Fleece Wool Prices (c/kg. clean)
Spinners and Good Topmaking Styles (AWEX Types MF4 and MF5)**

| Micron | 100+mm | 90mm | 80mm | 70mm | 60mm | 50mm | 40mm | 30mm | 20mm | 10mm |
|--------|--------|-------|-------|-------|-------|-------|-------|------|------|------|
| 18.0 | | | | 22307 | 21420 | 20442 | 18908 | | | |
| 18.5 | | | 20092 | 21065 | 19158 | 19116 | 18091 | | | |
| 19.0 | | | 19345 | 18860 | 18524 | 17819 | 16834 | | | |
| 19.5 | | | 18049 | 17631 | 17997 | 17008 | 15585 | | | |
| 20.0 | | | 17060 | 16958 | 16977 | 16425 | 14455 | | | |
| 20.5 | | | 16767 | 16807 | 16615 | 15665 | 14542 | | | |
| 21.0 | | | 16363 | 16556 | 16359 | | | | | |
| 21.5 | | 16183 | 16187 | 16245 | | 14459 | | | | |
| 22.0 | | | 15831 | 15864 | | | | | | |
| 22.5 | | | 15651 | 15618 | | | | | | |
| 23.0 | | | | | 14643 | | | | | |
| 23.5 | | | | | | | | | | |
| 24.0 | | | | | | | | | | |

* Based on a minimum of 3 lots sold per category

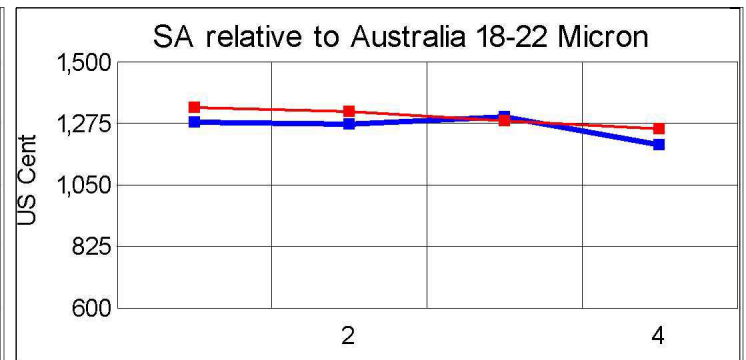
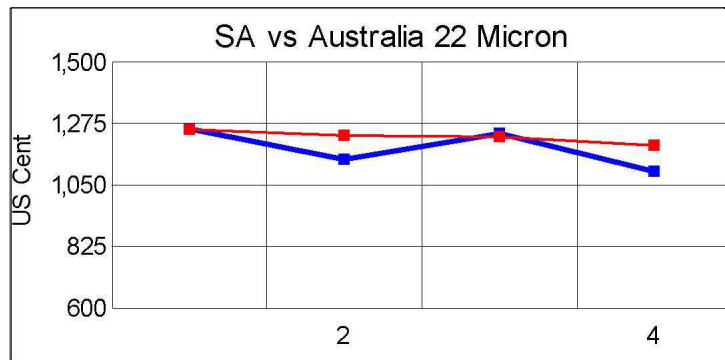
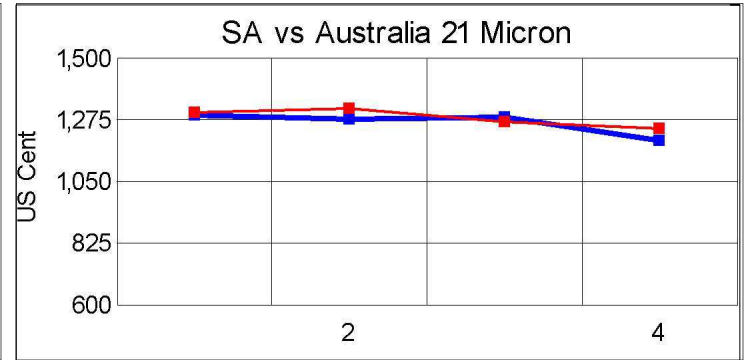
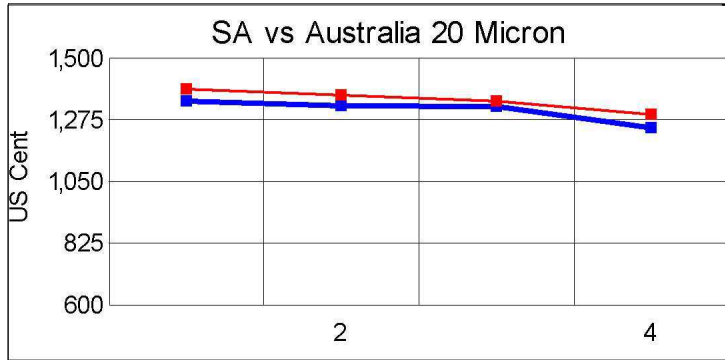
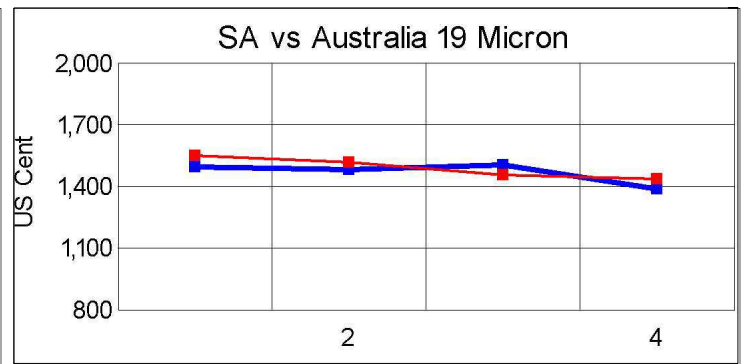
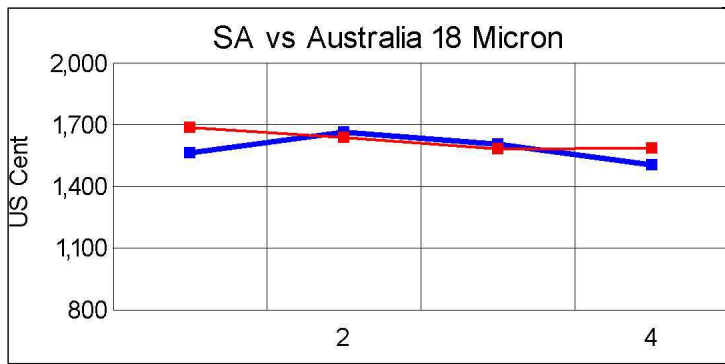
Average Topmaking Styles (AWEX MF6)

| Micron | 100+mm | 90mm | 80mm | 70mm | 60mm | 50mm | 40mm | 30mm | 20mm | 10mm |
|--------|--------|------|-------|-------|-------|-------|------|------|------|------|
| 18.0 | | | | | | | | | | |
| 18.5 | | | | | | | | | | |
| 19.0 | | | | 17993 | | | | | | |
| 19.5 | | | | 17383 | | 16140 | | | | |
| 20.0 | | | | | | | | | | |
| 20.5 | | | 16465 | 15906 | 15682 | | | | | |
| 21.0 | | | 15570 | | | | | | | |
| 21.5 | | | | | | | | | | |
| 22.0 | | | | | | | | | | |
| 22.5 | | | | | | | | | | |
| 23.0 | | | | | | | | | | |
| 23.5 | | | | | | | | | | |
| 24.0 | | | | | | | | | | |

* Based on a minimum of 3 lots sold per category

Other Selected Types/Qualities

| | Long | | | Medium | | |
|-------------------------|-------|-------|-------|--------|-------|-------|
| | 19μ | 20μ | 21μ | 19μ | 20μ | 21μ |
| Good Quality | | | | | | |
| Lambswool | 19672 | 17607 | 16767 | 16205 | 16618 | |
| Bellies | 17708 | 15744 | 15718 | 16403 | 16521 | 13470 |
| Locks | | | | 13050 | 14668 | |
| Average Quality | | | | | | |
| Lambswool | 19288 | 17036 | | 17854 | 14680 | 13842 |
| Bellies | 18072 | 15687 | 14667 | 16646 | 13923 | 14634 |
| Locks | | 13967 | | 13350 | 12910 | 11987 |
| Inferior Quality | | | | | | |
| Fleecewool | 17166 | 16045 | 15088 | 16899 | 15842 | |
| Lambswool | 18706 | 16425 | | 17373 | 13637 | |
| Bellies | 17517 | 15310 | 15231 | 14755 | 13450 | 11394 |
| Locks | | | 6700 | 9806 | 10475 | |



— SA in USc
— Aus in USc

— SA in USc
— Aus in USc

Market Commentary

WOOL MARKET 0,3% HIGHER

Port Elizabeth - The wool market maintained its recent gains and the Cape Wools Merino Indicator remained largely unchanged to increase with only 0,3% and by 45 points to close at a value of R174,11 (Clean). On the Australian market, the EMI decreased 1,9%. The Cape Wools All Wool Indicator increased by 0,2%.

There was definitely less demand for the finer end of the market this week which saw prices receding whilst the broader wool enjoyed stronger demand and ended dearer. The combined effect was an unchanged indicator value however buyers cautioned producers to take cognisance of the mixed market for various micron categories and to not only evaluate based on the small fluctuation in the overall market indicator. The auction was fairly small which increased competition for the limited bales on offer.

This week saw the Rand at R13,07 to the US Dollar and R15,66 to the Euro. The Rand was 1,3% weaker against the US Dollar and 1,8% weaker against the Euro, compared with the average rate at the previous sale. The offering comprised of 5 170 bales of which 99,0% was sold. Major traders were Standard Wool SA (1 609), Modiano (1 576), Tianyu SA (900) and Lempriere SA (522).

The average clean prices for the selection within the different micron categories for good top-making (MF5), long fleeces were as follows: 18,0 microns increased 1,7% to close at R207,84/kg; 18,5 microns moved 2,2% down to close at R201,82/kg; 19 microns lost 0,1% to close at R188,26/kg; 19,5 microns weakened by 1,6% to close at R176,75/kg; 20 microns was 2,5% weaker to close at R169,46/kg; 20,5 microns lost 1,8% to close at R165,13/kg; 21,0 microns lost 0,6% to close at R162,95/kg; 21,5 microns improved by 0,3% to close at R160,76/kg; 22 microns fell 1,4% to close at R156,42/kg and 22,5 microns declined by 0,3% to close at R154,54/kg.

The next sale is scheduled for 20 September 2017 where approximately ±8 789 bales will be on sale.

*The detailed Seasonal Receivables Declared Report can be viewed at www.capewools.co.za