



Cape Wools Weekly Market Report

16 March 2016

WOOL MARKET 3.7% HIGHER

Port Elizabeth – The wool market traded 3,7% higher this week and the Cape Wools Merino Indicator increased by 569 points to close at a value of R157,68 (Clean). On the Australian market, the EMI dropped 1,0%. The Cape Wools All Wool Indicator strengthened by 4,1%.

There was keen competition for the better quality wools as the volumes reduce, the effect of the drought manifests in the appearance of the wool and the growing season starts to taper off. The Rand weakness supported the local market increasing returns to the producers of wool.

This week saw the rand at R16,09 to the US dollar. The rand weakened by 4,4% against the US dollar compared with the average rate at the previous sale. The Rand weakened 5,4% against the Euro, trading at R17,84. The offering comprised of 8 332 bales of which 98% was sold. Major traders were Standard Wool SA (3 044), G Modiano SA (2 714), Lempriere SA (1 292) and Stucken & Co (667).

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 lost 1,6% to close at R170,80/kg; 18,5 microns lost 1,9% to close at R162,68/kg; 19 microns increased 2,3% to close at R163,70/kg; 19,5 microns gained 4,2% to close at R161,93/kg; 20 microns increased with 4,8% to close at R159,52/kg; 20,5 microns increased 3,3% to close at R158,46/kg; 21,0 microns gained 2,9% to close at R157,96/kg; 21,5 microns strengthened 3,1% to close at R157,70/kg and 22,0 microns gained 2,1% to close at R159,42/kg.

The next sale is scheduled for 30 March 2016, there will be approximately ± 12 397 will be on offer.