

# Wool market softens

Wool prices had declined at this week's sale with the Cape Wools Merino Indicator shedding -4.1% compared to the last sale to close the day at a value of R124,60 (Clean).



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On the Australian market, the indicator lost 2%. The Cape Wools All Wool Indicator declined by -4.1%. Traders commented that China's appetite for wool at the recent high levels was waning and demand had receded to price levels experienced prior to the June 2015 price spike.

This week saw the rand recover slightly to the US Dollar with intraday volatility around 1%.

The rand was R13,42 to the US dollar this week. The rand strengthened by 1,4% against the US dollar compared with the average rate at the previous sale, trading at R13,62, while the Euro strengthened 0,7%, trading at R15.10.

The offering comprised of 7,582 bales of which 96,4% was sold. Major traders were Lempriere SA (2,251) Standard Wool SA (1,797), G Modiano SA (1,286) and Stucken & Co (827).

The average clean prices for the selection within the different categories good top-making (MF5), long fleeces were as follows: 18,5 microns weakened by -2.1% to R133,74/kg, 19 microns dropped -4.4% to close at R129,52/kg, 19,5 microns declined with -4.5% to close at R126,36/kg, 20 microns decreased with -5.0% to close at R123,73/kg, 20,5 microns lost -5.2% to close at R122,88/kg, 21,0 microns lost -5.0% to close at R121,94/kg, 21,5 microns dropped by -4.0% to close at R121,74/kg and 22,0 microns declined with -5.3% to close at R122,03/kg.

The next sale is scheduled for 23 September where approximately ±5,000 bales will be on offer.

Source: INET BFA

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