



# Wool market continues upward surge

The wool market continued its upward trend at this week's sale and the Cape Wools Merino indicator gained 3.9% on last week to close at R104.03/kg (clean) - an increase of 13% on the opening sale.



[Image: Simon Howden / FreeDigitalPhotos.net](#)

Cape Wools said on Wednesday, 2 November 2011, that supply concerns appeared to be a major driving force with supplies in the main consuming countries currently at fairly low levels. The Australian market also saw an increase in prices.

The rand was slightly weaker against the US dollar, dropping 0.8% compared with last week's average rate, trading at R7.95. It was 0.4% weaker against the euro at almost R10.95.

There was good competition from the various sectors of the trade and 96% of the offering of 10,369 bales was sold. Major buyers were Modiano SA (3927 bales), Standard Wool SA (3084 bales), Stucken & Co (1189 bales) and Lempriere SA (1014 bales).

The prices of all long wool categories were up 3% to 5%.

The average clean price for the different categories good top-making (MF5), sound, long fleeces - less than 1% seed content - were as follows: 19 microns rose 3.1% to R123.14/kg, 19.5 microns were up 5.1% at R118.35/kg, 20 microns rose by 3.9% to R114.55/kg, 20.5 microns were 4.3% dearer at R112.24/kg; 21 microns gained 2.7% to close at R108.98/kg, 21.5 microns were 4.3% dearer at R106.08/kg and 22 microns rose 3.2% to close at R102/kg.

Approximately 9000 bales will be offered at next week's sale.

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