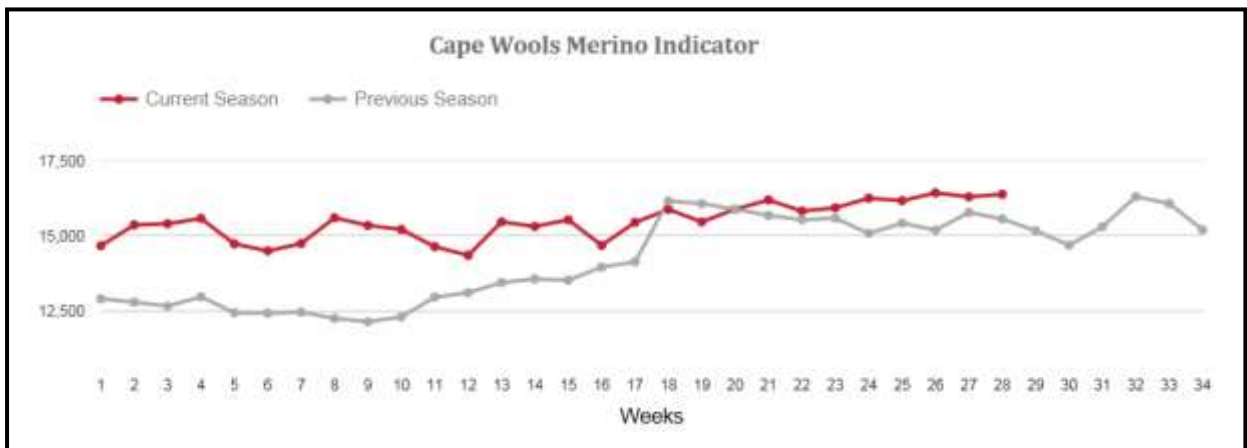




CAPE WOOLS SA MERINO INDICATOR



RULES AND DESCRIPTION

CONTENTS

	Page
INTRODUCTION	2
BACKGROUND INFORMATION AND CRITERIA	2
1. Objective	2
2. Type Classification	2
3. Micron Grouping	2
4. Data Series	3
ANALYSIS	3
1. Analysis by Class	3
2. Analysis by Style	3
3. Analysis by Length	4
4. Analysis by Micron	5
PREDOMINANT WOOL TYPES	5
1. The Principle	5
2. Types	5
SYSTEM DESCRIPTION	7
RAW DATA	7
AUCTION	8
DATA PROCESSING	8
PUBLISHING	9
POST SEASON EVALUATION AND CHANGE PROCESS	9
1. Change Process Steps	9
Annexure 1	10
Annexure 2	11
Annexure 3	13

INTRODUCTION

Since 1 July 2001 the weekly overall market indicator has been determined by calculating a weighted average price, based on all wool sold at a specific auction, and then compared with the result of the previous auction.

Cape Wools SA adopted the AWEX typing system on 1 July 2006.

BACKGROUND INFORMATION AND CRITERIA

1. OBJECTIVE

To analyse the total Merino offering to determine which Merino types contributed 80% plus in weight to the total offering.

2. TYPE CLASSIFICATION

Table 1 reflects the descriptions used in the analysis.

Table 1: Type Description

Type	Class	Quality/ Style	Length (mm)
M = Merino	F = Fleece Wool	0 = Spinners	20 = 16-25 (20)
	A = Pieces	1 = Best	30 = 26-35 (30)
	R = Backs	2 = Good	40 = 36-45 (40)
	B = Bellies	3 = Average	50 = 46-55 (50)
	L = Lambs	4 = Inferior	60 = 56-65 (60)
	X,Y,Z = Locks	5 = Carbonising	70 = 66-75 (70)
		6 = Cocklebur	80 = 76-85 (80)
		7 = Cotted Wool	90 = 86+ (90)
		8 = Brands	

3. MICRON GROUPING

Table 2 indicates the micron range for each micron group used.

Table 2: Micron Range

Micron Group	Micron Range
17.0	16.8 - 17.2
17.5	17.3 - 17.7
18.0	17.8 - 18.2
18.5	18.3 - 18.7
19.0	18.8 - 19.2
19.5	19.3 - 19.7
20.0	19.8 - 20.2
20.5	20.3 - 20.7
21.0	20.8 - 21.2
21.5	21.3 - 21.7
22.0	21.8 - 22.2
22.5	22.3 - 22.7
23.0	22.8 - 23.2
23.5	23.3 - 23.7
24.0	23.8 - 24.2
24.5	24.3 - 24.7
25.0	24.8 - 25.2

4. DATA SERIES

Data of all Merino types offered at auction for the past 3 seasons.

ANALYSIS

Following is an analysis of the Merino offering by class, style, length and micron, based on mass (Kg).

1. ANALYSIS BY CLASS

The following table shows the contribution by class in Mass (Kg), in descending order.

Table 3: Contribution by Class

South African Clip Analysis								
Contribution by Class								
2015/16 Season								
Class	All Wool		Merino Wool		Other Wool		C&C	
	(Kg)	%	(Kg)	%	(Kg)	%	(Kg)	%
Fleeces	36 579 974	75%	22 631 200	72%	8 729 956	71%	5 218 817	100%
Pieces	2 639 938	5%	2 471 314	8%	168 624	1%	0	0%
Bellies	5 717 630	12%	3 758 828	12%	1 958 802	16%	0	0%
Backs	1 221 336	2%	556 367	2%	664 969	5%	0	0%
Lox	2 781 598	6%	2 021 063	6%	760 535	6%	0	0%
Total	48 940 475	100%	31 438 772	100%	12 282 886	100%	5 218 817	100%

2. ANALYSIS BY STYLE

Table 4 shows the distribution by style and class.

Table 4: Contribution by Style

South African Clip Analysis											
Contribution by Style - Merino Wool											
2015/16 Season											
Style	%	Fleeces		Backs		Pieces		Bellies		Locks	
		Kg	R	Kg	R	Kg	R	Kg	R	Kg	R
≤3		753 293	74 329 323			651	59 994				
	%	3.3	3.5	-	-	0	0	-	-	-	-
4		7 811 335	785 962 850	116	11 652	97 765	9 412 340	1 128	97 371	13 509	656 222
	%	34.5	36.6	0.0	0.0	4.0	4.4	0.0	0.0	1	1
5		9 661 539	917 221 159	98 569	9 388 959	1 032 830	93 400 051	560 412	43 179 189	266 178	15 359 199
	%	42.7	42.7	17.7	19.5	41.8	43.2	14.9	18.7	13.2	16.2
6		3 668 305	308 670 000	266 141	23 358 448	1 051 154	89 790 324	1 564 869	102 026 828	995 933	49 513 569
	%	16.2	14.4	47.8	48.5	42.5	41.6	41.6	44.1	49.3	52.2
≥7		736 727	59 571 259	191 541	15 388 564	288 913	23 401 193	1 632 419	85 976 611	745 443	29 326 999
	%	3.3	2.8	34.4	32.0	11.7	10.8	43.4	37.2	36.9	30.9
Total		22 631 200	2 145 754 591	556 367	48 147 623	2 471 314	216 063 902	3 758 828	231 279 998	2 021 063	94 855 988
	%	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

3. ANALYSIS BY LENGTH

Table 5 shows the distribution by length and class

Table 5: Contribution by Length

South African Clip Analysis											
Contribution by Micron - Merino Wool											
2015/16 Season											
μ	%	Fleeces		Bacs		Pieces		Bellies		Locks	
		Kg	R	Kg	R	Kg	R	Kg	R	Kg	R
≤17,0		671 465	67 283 251	8 116	737 708	45 140	4 261 627	54 332	3 655 744	15 087	819 283
	%	2.97	3.14	0.33	0.34	1.83	1.97	1.45	1.58	0.75	0.86
17.5		1 200 717	118 262 993	25 368	2 360 751	91 707	8 264 603	140 445	9 473 909	65 749	3 707 123
	%	5.31	5.51	1.03	1.09	3.71	3.83	3.74	4.10	3.25	3.91
18.0		1 707 638	166 854 184	44 887	3 975 604	191 899	17 092 099	327 666	21 644 859	183 613	9 489 310
	%	7.55	7.78	1.82	1.84	7.77	7.91	8.72	9.36	9.08	10.00
18.5		2 068 801	200 562 337	90 463	8 329 517	353 207	31 216 590	584 570	36 879 326	428 374	21 427 298
	%	9.14	9.35	3.66	3.86	14.29	14.45	15.55	15.95	21.20	22.59
19.0		2 689 992	261 273 173	91 961	8 218 540	538 840	47 463 194	905 971	55 125 841	556 209	26 453 710
	%	11.89	12.18	3.72	3.80	21.80	21.97	24.10	23.84	27.52	27.89
19.5		3 470 212	332 717 651	89 050	7 532 591	546 703	47 475 277	840 352	51 369 816	392 051	17 423 572
	%	15.33	15.51	3.60	3.49	22.12	21.97	22.36	22.21	19.40	18.37
20.0		3 766 522	350 290 230	85 472	7 127 533	364 186	31 139 002	519 513	30 855 012	213 713	8 927 101
	%	16.64	16.32	3.46	3.30	14.74	14.41	13.82	13.34	10.57	9.41
20.5		3 036 580	280 863 421	59 194	4 953 637	173 029	14 933 409	236 438	13 771 309	88 473	3 548 321
	%	13.42	13.09	2.40	2.29	7.00	6.91	6.29	5.95	4.38	3.74
21.0		1 938 532	178 405 599	27 214	2 237 185	88 753	7 587 240	96 011	5 612 738	32 569	1 327 344
	%	8.57	8.31	1.10	1.04	3.59	3.51	2.55	2.43	1.61	1.40
21.5		1 088 849	98 847 261	24 533	1 910 250	47 320	3 998 902	28 560	1 644 452	20 915	843 455
	%	4.81	4.61	0.99	0.88	1.91	1.85	0.76	0.71	1.03	0.89
22.0		478 677	43 154 183	7 254	540 491	16 638	1 388 151	15 334	754 974	11 837	455 541
	%	2.12	2.01	0.29	0.25	0.67	0.64	0.41	0.33	0.59	0.48
22.5		249 288	22 607 668	1 970	151 806	6 705	581 894	6 872	369 150	5 071	177 420
	%	1.10	1.05	0.08	0.07	0.27	0.27	0.18	0.16	0.25	0.19
23.0		111 648	10 319 325	886	72 010	3 383	280 971	1 976	82 995	4 939	179 743
	%	0.49	0.48	0.04	0.03	0.14	0.13	0.05	0.04	0.24	0.19
23.5		69 750	6 731 053	0	0	2 663	274 369	444	17 752	1 195	38 424
	%	0.31	0.31	-	-	0.11	0.13	0.01	0.01	0.06	0.04
24.0		41 800	3 859 000	0	0	821	79 364	132	8 388	311	14 000
	%	0.18	0.18	-	-	0.03	0.04	0.00	0.00	0	0
24.5		33 675	3 058 782	0	0	320	27 211	211	13 735	-	-
	%	0.15	0.14	-	-	0.01	0.01	0.01	0.01	-	-
≥25,0		7 054	664 478	-	-	-	-	-	-	957	24 345
	%	0.03	0.03	-	-	-	-	-	-	0	0
Total		22 631 200	2 145 754 591	556 367	48 147 623	2 471 314	216 063 902	3 758 828	231 279 998	2 021 063	94 855 988
	%	100.0	100.0	22.5	22.3	100.0	100.0	100.0	100.0	100.0	100.0

4. ANALYSIS BY MICRON

Table 6 shows the distribution by length and class

Table 6: Contribution by Micron

South African Clip Analysis Contribution by Length - Merino Wool 2015/16 Season											
Length mm	%	Fleeces		Bucks		Pieces		Bellies		Locks	
		Kg	R	Kg	R	Kg	R	Kg	R	Kg	R
≤ 10	0	7 360	584 560	0	0	211	11 368	92 104	4 367 475	289 555	13 459 258
	%	0.0	0.03	-	-	0.0	0.01	2.5	1.89	14.33	14.19
20	0	150 309	12 320 129	0	0	9 385	640 252	398 804	20 532 631	367 692	17 447 499
	%	0.7	0.6	-	-	0.4	0.3	10.6	8.9	18.2	18.4
30	0	681 622	57 015 138	2 469	166 239	95 880	7 318 945	886 521	51 111 254	284 423	13 363 845
	%	3.0	2.7	0.0	0.0	3.9	3.4	23.6	22.1	14.1	14.1
40	0	2 701 236	239 771 910	8 686	668 452	461 583	38 719 836	1 191 174	75 811 193	634 412	30 752 034
	%	11.9	11.2	0.0	0.0	18.7	17.9	31.7	32.8	31.4	32.4
50	0	3 845 410	362 808 361	48 035	4 002 423	709 818	62 015 753	774 687	50 869 768	359 459	16 045 557
	%	17.0	16.9	0.2	0.2	28.7	28.7	20.6	22.0	17.8	16.9
60	0	5 336 126	515 166 446	144 180	12 653 581	724 123	64 170 001	393 944	26 892 003	81 549	3 657 981
	%	23.6	24.0	0.6	0.6	29.3	29.7	10.5	11.6	4.0	3.9
70	0	6 073 290	586 405 956	224 614	19 513 021	398 358	36 423 130	19 200	1 504 382	3 972	129 815
	%	26.8	27.3	1.0	0.9	16.1	16.9	0.4	0.7	0.0	0.6
80	0	3 425 815	331 693 856	102 499	8 812 155	64 530	6 072 323	2 394	191 292	-	-
	%	15.1	15.46	0.5	0.41	2.6	2.81	0.1	0.08	-	-
≥90	0	410 033	39 988 235	25 884	2 331 751	7 426	692 294	-	-	-	-
	%	1.8	1.86	0.1	0.11	0.3	0.32	-	-	-	-
Total	0.0	22 631 200	2 145 754 591	556 367	48 147 623	2 471 314	216 063 902	3 758 828	231 279 998	2 021 063	94 855 988
	%	100.0	100.0	2.5	2.2	100.0	100.0	99.9	100.0	99.8	100.4

PREDOMINANT WOOL TYPES

1. THE PRINCIPLE

The purpose of a market indicator is to indicate price movement. Over years the methodology of computing the market indicator varied from comparing the price movements of precisely the same types of wool with each other to the calculation of a weighted average of all wool sold.

The pattern of wool deliveries is cyclic, with different qualities and quantities arriving at different times during the season.

Moreover, the following factors may also influence the price of the day:

- The demand for wool in Australia and South Africa on the day;
- Exchange rate fluctuations throughout the duration of the auction;
- Requirements/orders of the different buyers, i.e greasy wool, local processors, etc.;
- Quality of wool on offer (influenced by overall grazing conditions for season, such as drought, good conditions, etc);
- Composition of offering;
- Time in season, which also exerts influence on the price movement.

2. TYPES

The AWEX types in Table 8 represent 83.2% of the Merino offering.

Table 8: Contribution by Class (AWEX Description)

Fleeces ¹ (60.5%)	Pieces ² (9.20%)	Bellies ³ (9.87%)	Lambs ⁴ (11.28%)	Locks ⁵ (9.59%)
20.0μ	19.5μ	18.0μ	18.0μ	19.0μ
MF550	MP550	MB630	MLF530	MZ530
MF560	MP560	MB640	MLF540	MZ540
MF570	MP570	MB650	MLF550	MZ550
MF580	MP650	MB730	MLF560	MZ730
MF650	MP660	MB740	MLF570	MZ740
MF660	MP670	MB750	MLF630	MZ750
MF670	20.0μ	18.5μ	MLF640	19.5μ
MF680	MP550	MB630	MLF650	MZ530
MF760	MP560	MB640	MLF660	MZ540
MF770	MP570	MB650	MLF670	MZ550
MF780	MP650	MB730	18.5μ	MZ630
20.5μ	MP660	MB740	MLF530	MZ640
MF550	MP670	MB750	MLF540	MZ650
MF560	20.5μ	19.0μ	MLF550	MZ730
MF570	MP550	MB630	MLF560	MZ740
MF580	MP560	MB640	MLF570	MZ750
MF650	MP570	MB650	MLF630	20.0μ
MF660	MP650	MB730	MLF640	MZ530
MF670	MP660	MB740	MLF650	MZ540
MF680	MP670	MB750	MLF660	MZ550
MF760	21.0μ	19.5μ	MLF670	MZ630
MF770	MP550	MB630	19.0μ	MZ640
MF780	MP560	MB640	MLF530	MZ650
21.0μ	MP570	MB650	MLF540	MZ730
MF550	MP650	MB730	MLF550	MZ740
MF560	MP660	MB740	MLF560	MZ750
MF570	MP670	MB750	MLF570	20.5μ
MF580	21.5μ	20.0μ	MLF630	MZ530
MF650	MP550	MB630	MLF640	MZ540
MF660	MP560	MB640	MLF650	MZ550
MF670	MP570	MB650	MLF660	MZ630
MF680	MP650	MB730	MLF670	MZ640
MF760	MP660	MB740	19.5μ	MZ650
MF770	MP670	MB750	MLF530	MZ730
MF780	22.0μ		MLF540	MZ740
21.5μ	MP550		MLF550	MZ750
MF550	MP560		MLF560	21.0μ
MF560	MP570		MLF570	MZ530
MF570	MP650		MLF630	MZ540
MF580	MP660		MLF640	MZ550
MF650	MP670		MLF650	MZ630
MF660			MLF660	MZ640
MF670			MLF670	MZ650
MF680			20.0μ	MZ730
MF760			MLF530	MZ740
MF770			MLF540	MZ750
MF780			MLF550	21.5μ
22.0μ			MLF560	MZ530
MF550			MLF570	MZ540
MF560			MLF630	MZ550
MF570			MLF640	MZ630
MF580			MLF650	MZ640
MF650			MLF660	MZ650
MF660			MLF670	
MF670			20.5μ	
MF680			MLF530	
MF760			MLF540	

Fleeces¹ (60.5%)	Pieces² (9.20%)	Bellies³ (9.87%)	Lambs⁴ (11.28%)	Locks⁵ (9.59%)
MF770			MLF550	
MF780			MLF560	
22.5μ			MLF570	
MF550			MLF630	
MF560			MLF640	
MF570			MLF650	
MF580			MLF660	
MF650			MLF670	
MF660				
MF670				
MF680				
MF760				
MF770				
MF780				
23.0μ				
MF550				
MF560				
MF570				
MF580				
MF650				
MF660				
MF670				
MF680				

1. Total of Fleeces (F) and Backs (R) seeing that AWEX only identifies Backs by means of a qualifier (B), and not as a separate Wool Category. The selected MF types represent 83% (Kg contribution by Micron) of the Merino Fleece and Merino Backs offering.
2. The selected MP types represent 84%(Kg contribution by Micron) of the Merino Piece offering.
3. The selected MB types represent 81%(Kg contribution by Micron) of the Merino Belly offering.
4. The selected MLF types represent 86%(Kg contribution by Micron) of the Merino Lamb Fleece offering.
5. Total of Locks X,Y and Z, seeing that AWEX only identifies Locks as one Wool Category (Z). The selected MZ types represent 82.3%(Kg contribution by Micron) on average of the Merino Locks offering.

SYSTEM DESCRIPTION

The current basket consists of 80 types, made up as follow:

- 10 micron groups (18.0 to 22.5 micron groups divided into .5 micron groups);
- AWEX Styles 4 & 5; and
- 4 length groups for each style (50 – 80mm divided into 10mm groups).

The percentage contribution in weight for Merino Fleece Wool in styles 4 & 5, 18.5 – 22.5 half micron groups and 50 – 80mm length groups, are determined annually at the end of the season. The percentage contribution of each contributing factor is calculated and multiplied to determine the contribution of each of the 80 types. See annexure 1.

RAW DATA

Typing of wool is based on the international standard known as AWEX. See Annexure 2.

Currently there are 7 Wool Brokers collecting and marketing wool on behalf of their clients. Producer lot types are provided electronically by two of the brokers.

Wool at the remaining 5 brokers, as well as certain Lots at the other 2 brokers, are typed by an AWEX trained Wool Appraiser, employed by Cape Wools SA.

The types are captured into the Cape Wools database and verified.

Objectively measured characteristics of each lot for each sale is received electronically from the Wool Testing Bureau. Characteristics measured objectively include:

- Micron
- Yield
- Vegetable matter
- Colour
- Staple Length 7 Strength

Subjectively measured characteristics include:

- Breed
- Class
- Style
- Length
- Strength
- Seed
- Colour

A selection of Lots provided electronically, is audited weekly by the Cape Wools Appraiser.

AUCTION

There are 35 wool auctions per season, starting July and ending June. The auctions are based on an open cry system.

Brokers sell on these auctions, with Buyers competing for the wool offered.

DATA PROCESSING

The buyer and selling price for each lot is captured and verified in real-time in each of the venues by Cape Wools. Discrepancies are resolved as the auction progresses.

At the end of the sale a set procedure is followed, the dataset verified and the Indicator calculated programmatically.

There must be at least 3 lots that were sold in a specific category with a VM count of <2%, before it will be calculated. If not, the price will be simulated. If 3 and more lots, the following calculation takes place for each lot in the category.

$((\text{Price}/(\text{yield} * 100))$

The result is summed and divided by the number of lots. The average price is then used in the following calculation to determine the groups contribution:

Average Price * Style Factor * Micron Factor * Length Factor

The results for the 80 blocks are summed to determine the indicator.

Where no wool is sold in a specific type, the movement in the indicator between the current and previous auction is calculated. The price of the blank type for the previous sale is adjusted with the movement and used in the current sale. Once the blanks are populated, the final indicator is calculated.

PUBLISHING

The market report (See annexure 3) is compiled and published Internationally approximately 2 hours after the close of the sale.

POST SEASON EVALUATION AND CHANGE PROCESS

The profile of the contributing factors is analyzed annually. Should the contribution of a single type change by more than 1%, a new indicator will be generated for the commencing season.

1. CHANGE PROCESS STEPS

- Step 1: Analyse the profile of the past season's weighting of contributing factors.
- Step 2: Compare basket compilation/weighting to indicator compilation/weightings.
- Step 3: Identify single type changes in excess of 1%.
- Step 4: Compile a new seasonal indicator for the following season and present for authorization.
- Step 5: CEO Cape Wools SA approves changes and authorizes implementation.
- Step 6: CEO Webroute amends indicator values and brings adjustments to the programme.

Access to the database is controlled and changes can only be made by pre-approved personnel.

		CAPE WOOLS MERINO INDICATOR: 1 July 2015													
		CAPE WOOLS SA													
		BASKET: MARKET INDICATOR (AWEX TYPES)													
		17.8-18.2	18.3-18.7	18.8-19.2	19.3-19.7	19.8-20.2	20.3-20.7	20.8-21.2	21.3-21.7	21.8-22.2	22.3-22.7				
		18	18.5	19	19.5	20	20.5	21	21.5	22	22.5	2%	3%	6%	2%
% All Microns Fleece		7%	9%	12%	16%	18%	16%	11%	6%	3%					
MF4	26%														
50mm		0.41%	0.54%	0.68%	0.94%	1.08%	0.94%	0.62%	0.34%	0.19%	0.10%				
60mm		0.46%	0.60%	0.76%	1.06%	1.21%	1.06%	0.69%	0.39%	0.22%	0.11%				
70mm		0.54%	0.72%	0.91%	1.26%	1.43%	1.26%	0.82%	0.46%	0.26%	0.13%				
80mm		0.41%	0.55%	0.69%	0.95%	1.09%	0.95%	0.62%	0.35%	0.20%	0.10%				
MF5	74%														
50mm		1.71%	2.26%	2.85%	3.95%	4.50%	3.95%	2.58%	1.44%	0.81%	0.41%				
60mm		1.41%	1.87%	2.36%	3.26%	3.72%	3.26%	2.13%	1.19%	0.67%	0.34%				
70mm		1.18%	1.56%	1.97%	2.74%	3.12%	2.74%	1.78%	1.00%	0.56%	0.28%				
80mm		0.88%	1.16%	1.47%	2.04%	2.32%	2.04%	1.33%	0.74%	0.42%	0.21%				

DRAFT
AWEX-ID Non Measured Characteristics
 Version 3.1S Standard (South Africa)



MANDATORY BREED GROUP	PRIME TYPE			QUALIFIERS			WHERE APPLICABLE STANDARD COMMENTS		
	WHERE APPLICABLE WOOL SUB CATEGORY	MANDATORY WOOL CATEGORY	MANDATORY STYLE	MANDATORY VM TYPE	CONDITIONAL Non - AM GREASY LENGTH INDICATOR	CONDITIONAL Non - AM STRENGTH INDICATOR		WHERE APPLICABLE QUALIFIERS (Not scaled)	WHERE APPLICABLE QUALIFIERS (Scaled)
M Merino	W Combing Weaners/Lambs	F Fleece	1 Choice	B Burr	10 6-15 mm	W1 Part Tender	E Necks	H Unscourable Colour	GFS Good for Style
X Crossbred	L Lambs	P Pieces	2 Best Spinners	E Seed	20 16-25 mm	W2 Tender	B Backs	N Water Stain	PFS Poor for Style
D Downies	U Plucked & Dead	B Bellies	3 Spinners	S Shive	30 26-35 mm	W3 Very Tender	G Doggy	S Dark Stain	GFL Good for Length
T Carpet	K Shorn from Skins	C Crotchings	4 Best	N Noogoo/Ring	40 35-45 mm		M Scourable Colour	Q Dags	PFL Poor for Length
R Sheds Fibre	M Fullmorgared	Z Dbl Cut/Locks	5 Good	T Bathurst	50* 46-55 mm		F Soft Cott	F Dags	BOLD Bold crimp
	O Overgrown		6 Average	M Mol	60* 56-65 mm		C MedHard Cott	C Soft Cott	PEN Pen Stain
	N Non Conforming Lot		7 Inferior	F Bogan Flax	70* 66-75 mm		J Jowls	J Jowls	BIO Bio-Harvested
WHERE APPLICABLE			8 PCS/IBLS		80* 76-85 mm		K Sharvs	K Sharvs	LICE Lice affected
BREED PREFIX			9 Spinnners	WHERE APPLICABLE	90* 86-95 mm		A Dematris	A Dematris	
R Run with Sheds Fibre			4 Best	VM SUFFIX	100 96-105 mm		V Skin Pieces	V Skin Pieces	AWAS Awassi
Q Native Run Sheep			5 Good	L Clumpy	110 108-115 mm		R Brands	R Brands	DAMA Damara
			6 Average		120 116-125 mm		D Mud	D Mud	DORP Dopper
			7 Inferior/Stain		130 126-135 mm		Y Black/Pigmented	Y Black/Pigmented	KARA Karakul
			4 CRS/LKS		140 135-150 mm		P Kemp/Medulated	P Kemp/Medulated	VANR Van Rooy
			5 Best/Good Bulk		160 151-170 mm		U Sweat/Frib	U Sweat/Frib	
			6 Average Bulk		180 171-190 mm				
			6 Inferior Bulk		200 191-210 mm				
					***** 300				
					FIP/IBC *5mm Inc. ASF1-2	Combing			
							SCALE	SCALE	SAMM SAF Meat Mer
							1 Light	1 Light	AUMM Aust Meat Mer
							2 Medium/Line of	2 Medium/Line of	DOHN Dohne
							3 Heavy/Line of	3 Heavy/Line of	

Summary of Changes (V3.0S to V3.1S)

1. **Breed Group**
 - a. Breed Group Prefix "R" (*Run with Sheds Fibre*) may now be used with **ALLBreed Codes**. (e.g. RM means Merinos *run with* a Sheds Fibre Breed, RX means Crossbreds *run with* a Sheds Fibre Breed).
 - b. Where Breed Group prefix "R" is used, qualifiers Y and K to be used **only if these fibres are visible**.

2. **Scaled Qualifiers**
 - a. Qualifier Code "F" for Soft Cott is now for use with Fleece wool only.

3. **Standard Comments**
 - a. Standard Comment "GFS" (Good for Style) may now be applied to indicate Upper 5% to 10% of any/all styles.
 - b. Standard Comment "PFS" (Poor for Style) may now be applied to indicate Lower 5% to 10% of any/all styles.
 - c. Standard Comment "GFL" (Good for Length) now added and can be used for measured and unmeasured lots.
 - d. Standard Comment "PFL" (Poor for Length) now added and can be used for measured and unmeasured lots.

4. **Grid Guides**
 - a. After 12 months trialling Grid Guides have been extensively revised to reflect ongoing use by appraisers and auditors.
 - b. Grid Guides will be subject to ongoing calibration by AWEX Auditors.

5. **Valid Combinations**
 - a. Valid Combinations have been updated to reflect the new codes documented above.

National Weekly Wool Market Report

Season: 2015/2016

Sale Date: 7 & 8 June 2016



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	15206	16081	-5.4%	G Modiano SA	3138	32.2%	84645
Ave. to date (15/16)	14269	14240	0.2%	Lempriere SA	2547	26.1%	77632
Ave. to date (14/15)	11524			Standard Wool SA	2380	24.4%	91077
US c/kg	1027	1026	0.1%	Stucken & Co	506	5.2%	32335
Euro c/kg	904	920	-1.8%	Segard Masurel SA	493	5.1%	18446
AWEX EMI	1275	1297	-1.7%	New England Wool SA	219	2.3%	5783
				H Dawson Sons & Co			3914
				CMW Operations			5
				SAFIL SA			184

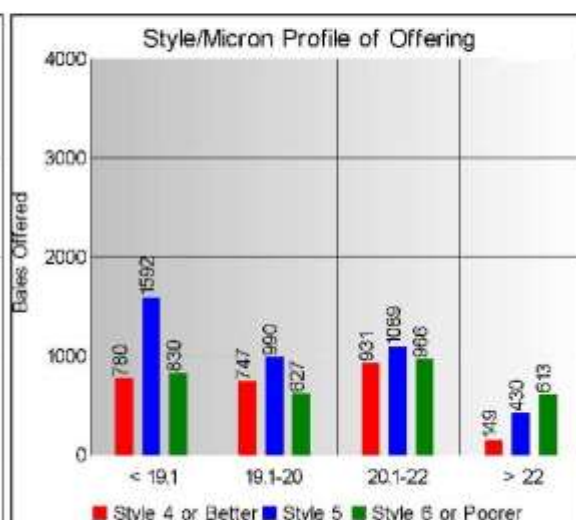
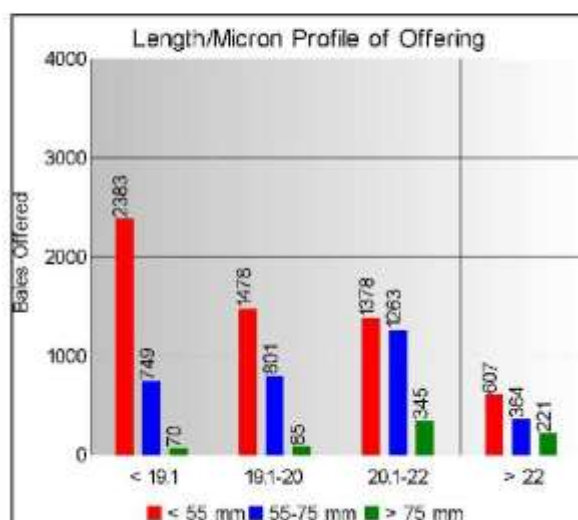
Exchange Rates			
Currency Unit	This Week	Previous Week	% Change
R/USD	14.8070	15.6662	5.5%
R/Euro	16.8293	17.4763	3.7%
R/AUD	11.0262	11.3784	3.1%
USD/AUD	0.7446	0.7262	-2.5%

Analysis of Offerings by Broker This Week (Bales)

Broker	Merino Fleeces	Merino Bellies	Merino Lambs	Merino Backs	Merino Locks	* Other	Total	% Sold
BKB	3281	729	744	3	490	818	6065	93.4%
CMW	1386	480	452	97	0	181	2596	97.6%
JLW	19	2	15	0	2	3	41	100.0%
MAS	197	44	49	0	39	78	407	99.8%
QWB	51	4	7	0	0	5	67	100.0%
SBL	153	20	93	11	10	40	327	100.0%
VLW	92	44	46	0	21	38	241	100.0%
Total	5179	1323	1406	111	562	1163	9744	95.3%

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

2015/16 Declared Receipts : 15 May 2016
 2015/16 Declared Receipts : 05 June 2016

47,565,140.2
 48,451,855.9

Percentage Change (Year-on-Year) : -1.94



**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				17286	16642	15420	15021			
18.5				16874	16042	15298	14463			
19.0			16463	16367	15753	15126	14541	13063		
19.5			15972	16074	15618	15010	14418			
20.0			14770	15889	15334	14788	14186			
20.5			15756	15622	14801	14553	13682			
21.0			15657	15400	14614	14298	13460			
21.5			15550	15302	14629	14003				
22.0		15085			14314	13420				
22.5				15321	14381		12305			
23.0				14604	14373					
23.5										
24.0										

* Based on a minimum of 3 lots sold per category

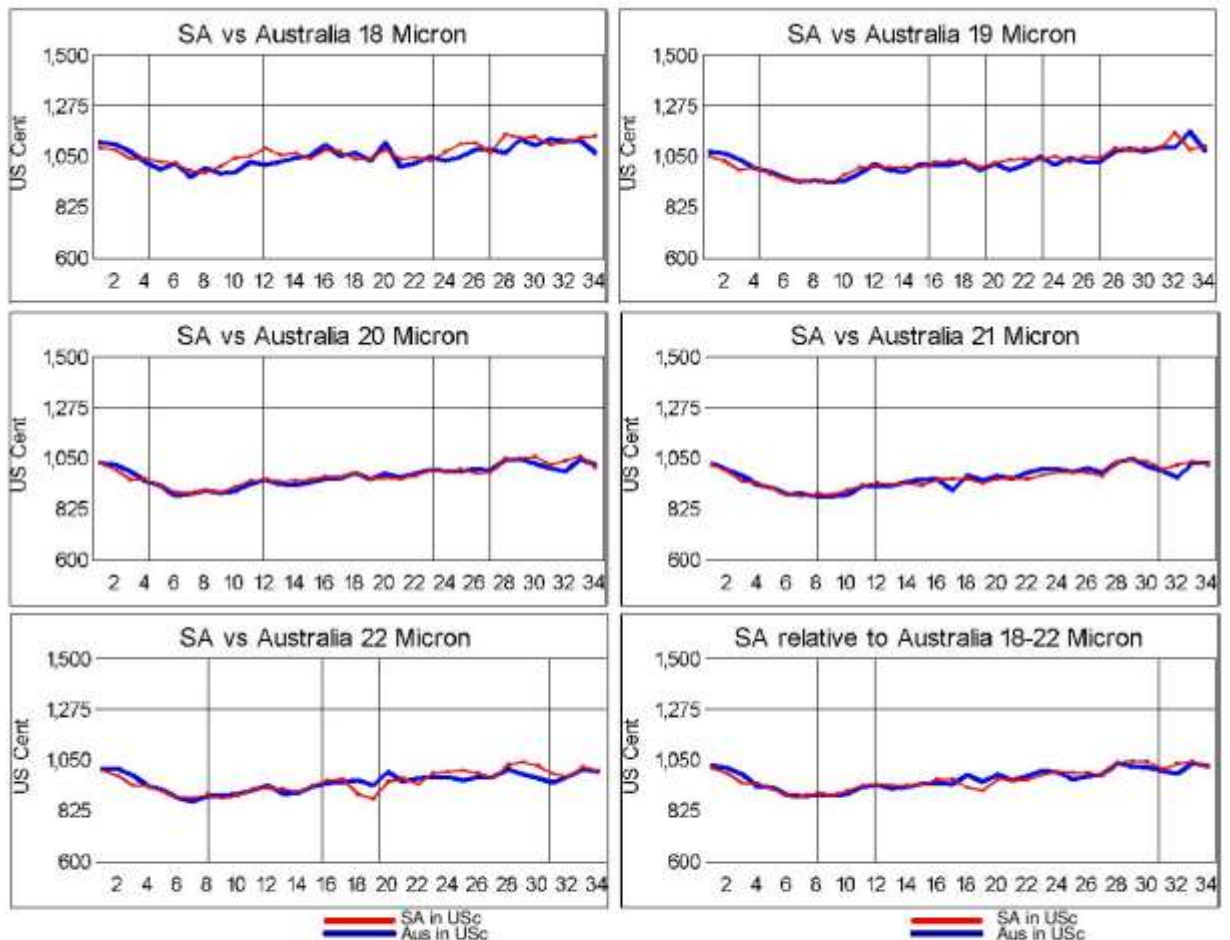
Average Topmaking Styles (AWEX MF6)

Micron	100+mm	90mm	80mm	70mm	60mm	50mm	40mm	30mm	20mm	10mm
18.0										
18.5										
19.0										
19.5					14600		13285			
20.0						13458				
20.5					14380	13963				
21.0				14338	14557	14301				
21.5					14327	12751				
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	15773	15460	14864	14398	14221	13710
Bellies	15137	15030	14683	13970	13999	13783
Locks						
Average Quality						
Lambswool	15220	14535	14504	14076	13255	12063
Bellies	14816	14355	13481	13569	12719	12478
Locks				12632	11900	
Inferior Quality						
Fleecewool	14727	14540	14702	13484	11744	
Lambswool				14470		
Bellies		11310		12246	12234	9119
Locks			10975	11722	11775	9967



Market Commentary

WOOL MARKET 5,4% LOWER

Port Elizabeth - The wool market traded 5,4% lower this week and the Cape Wools Merino Indicator decreased by 875 points to close at a value of R152,06 (Clean). On the Australian market, the EMI decreased 1,7%. The Cape Wools All Wool Indicator lost 5,4%.

The 2015/16 season closed as expected with strong demand for medium length wool and excellent competition for longer and better quality wools. The decline in pricing is directly attributable to Rand strength against the US Dollar.

This week saw the rand at R14,81 to the US dollar. The rand strengthened by 5,5% against the US dollar compared with the average rate at the previous sale. The Rand strengthened 3,7% against the Euro, trading at R16,83. The offering comprised of 9 744 bales of which 95,3% was sold. Major traders were G Modiano SA (3 138), Lempriere SA (2 547), Standard Wool SA (2 380), and Stucken & Co (506).

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 5,4% to close at R165,10/kg; 18,5 microns decreased 5,1% to close at R164,57/kg; 19 microns decreased 4,6% to close at R160,63/kg; 19,5 microns lost 6,5% to close at R158,85/kg; 20 microns decreased with 6,3% to close at R155,44/kg; 20,5 microns decreased 6,0% to close at R154,37/kg; 21,0 microns lost 6,8% to close at R152,90/kg; 21,5 microns dropped 5,3% to close at R152,91/kg; 22,0 microns decreased 5,9% to close at R150,78/kg and 22,5 microns decreased 7,3% to close at R148,78/kg

The first sale for the 2016/17 season is scheduled for 17 August 2016.

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