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The Wool Record Weekly

Market REPORT

The exclusive weekly world price guide

Edited by Bernard Chyzy

OCTOBER 30 2008

NEW ZEALAND: Today's auction in Christchurch saw some drastic price drops for Merino and Mid Merino fleece, reflecting large market reductions for comparable types in the Australian market over recent weeks. The Crossbred types fared better with some categories increasing in value assisted by a weaker NZ dollar compared to its main trading currencies. Merino fleece saw 80% either passed-in or withdrawn. Only the poorer fleece lines and oddments were sold with prices offered for the Good Style fleece being 15-20% lower than the last offering on October 16. Mid micron fleece was also influenced by the ongoing international economic crisis with 29.5 micron and finer dropping 7-10%, and 30-31 microns 2.5-3.5% cheaper. Approximately 45% of all mid Micron wool was passed-in. Fine Crossbred fleece and Early Shorn were 2-3% cheaper with the shorter types generally firm to 1% dearer. Good colour fleece, Early Shorn and longer shears captured most of the currency advantage and strengthened 1-2.5%. The poorer styles and short shears softened 1-2.5%. Crossbred oddments were 2-4% cheaper. With 23% passed-in for the coarse wool sector, the overall pass-ins fell to 34%. Competition for the fine wool sector was limited with restricted interest from Western Europe. The offering of 11,312 bales brought a 65.7% clearance. Source: Wool Services International.

MOHAIR: Tuesday's auction saw very positive results for producers despite the current economic climate, with 91% sold from an offering of 150,824kg. The overall market indicator increased by 4.8% to close on R71.40. Competition among buyers was good with only a limited quantity of mohair available for the remainder of the season. Direct exporters were once again favoured by the

Late surge in exchange rate comes too late for growers

The Wool Exchange's Australian Eastern Market Indicator (EMI) has dropped by 26 cents (3.4%), closing at 738 Australian cents/kg clean. In US currency, the market eased only 4 cents (0.8%), with the Australian dollar climbing 1.86 US cents in the last seven days to stand at 68.49 US cents. In euros, the market shed 15 cents (3.8%). The EMI, which has declined by 101 cents since October 16, began hesitantly with only Melbourne selling on Tuesday, when the Southern Indicator fell by 10 cents/kg. However, it was steadier yesterday and today, losing only 5 cents/kg in total to end the week 15 cents/kg down. Sydney had a tougher week after losing 24 cents/kg yesterday, with finer wools seeing losses of 61-69 cents. The Northern Indicator was less affected today, drifting another 13 cents/kg today. The Western Indicator – down to a 17-year low last week – retreated 12 cents/kg at the start of trading, but improved today with a reduction of only 2 cents/kg.

Despite another fall in the Australian market, analysts believe interest rate cuts in China and the US this week have helped restore some confidence across global share markets, and should ease credit restrictions. The decision by both countries may also have contributed to a rise of 29 cents in the EMI in US terms today, while the local exchange rate against the US dollar advanced 4.73 US cents, but the lift did not come in time to benefit growers.

From a national offering of 40,485 bales, China was dominant with good support from India, while Europe was more active. The pass-in rate – which stood at 33.3% last week – was 21.1%, with 8,189 bales withdrawn prior to auction. Re-offered bales totalled 12.1%. Next week's roster forecast is currently 52,482 bales.

weakening in the SA currency. The highest price of R353.00 per kg was paid for a bale of above average 25-micron winter kid mohair. There was once again a large amount of seedy mohair. Compared to the previous sale on October 7, prices for Kids were unchanged but the following were up as follows: Young Goats by 5%; Fine Adults by 7.5%; and Strong Adults by 11.6%. The rand is R10.68 against the US dollar, and R13.30 against the euro. The next sale is scheduled for November 18. Source: Mohair South Africa.

PORT ELIZABETH: The market remained under pressure following continued uncertainty in global markets and negative business sentiment, with the Cape Wools' Merino indicator falling by 6.3% to close at R44.15/kg clean. With orders from overseas clients still declining, yesterday's sale was mainly supported by local processors buying to keep mills running. Even though the rand had strengthened compared with

exchange rates on October 15, it remained volatile, creating further uncertainty. Yesterday mid-morning, it traded at around R10.22 to the US\$, up 6.3% on last week. At R13.03, it was 7.1% stronger against the euro and gained 9.8% against the Australian dollar, which exerted further downward pressure on the local market. Prices were softer across the board, with superfine wools dropping by almost 10%, while the fine to medium qualities weakened by 3.7%- 5%. A total of 7,451 bales were offered, of which 84% was sold. Source: Cape Wools.

BRADFORD: Yesterday's market, which offered 2,179,248 kg, was quieter than expected with selective bidding throughout the auction. Around 800,000 kg was sold. Compared to the last time the following were sold, Pick and Supers were firm. Best Halfbred Hogs brought buyers' favour, with other Halfbreds firm. Cross Cast had buyers' favour, while other Crosses closed firm. Radnors

brought buyers' favour. Welsh were up to 2.5% cheaper. Source: British Wool Marketing Board (BWMB).

ARGENTINA: The president of the Federation of Rural Societies of Chubut, Juan Goya, at a meeting with the country's minister of agriculture, Leonardo Aquilanti, has expressed grave concern over the current wool market worldwide where prices have reportedly fallen between 30-40%. Requesting support from the government, Goya said that, aside from the fall in prices worldwide, Chubut was already suffering this year from the effects of drought and a reduction in fleece weights, combining to make losses more like 50%. Source: Uruguayan Wool Secretariat (SUL).

URUGUAY: Although slightly more active than last week, business continues to be very slow in line with other international markets. Trading was confined to prompt lots for immediate delivery, but at prices generally lower than last week. Source: Uruguayan Wool Secretariat (SUL).

AWEX Regional Indicators

Australian cents/kg. clean, Schlumberger dry.

Region	This week's	Oct 30	Oct 29	Oct 28	Oct 23
Northern	Sydney 18	760	773	-	797
Southern	Melbourne 18	721	724	726	736
Western	Fremantle 18	715	717	-	729
Eastern Market Indicator (EMI)		738	746	759	764
		Season 2008/09		Season 2007/08	
	Opening High Low	Opening High Low	w/e		
					01/11/07
Northern	912 939 760	885 1,086 885	991		
Southern	840 860 721	851 1,010 810	920		
Western	845 849 715	867 1,053 843	957		
Eastern	874 874 738	896 1,045 852	953		

REGIONAL MICRON PRICE GUIDES

Australian cents/kg. clean

Northern Region

Micron	Oct 30	Oct 29	Oct 23	Oct 22
16.5	-	-	1,553n	1,557n
17	1,299n	1,321n	1,390n	1,390n
17.5	1,209n	1,234n	1,303n	1,314n
18	1,175	1,191	1,253	1,250
18.5	1,064n	1,083	1,144	1,151
19	945n	963	989	993
19.5	832	853	866	870
20	744	755	764	764
21	688	699	710	706
22	676	680	698	691
23	663n	671n	688n	688n
24	-	-	678n	672n
25	-	-	-	-
26	545n	548n	575n	588n
28	440	464	471	478
30	398	410	409	422
32	358n	358n	367n	367n
MC	443	450	454	455

Southern Region

Micron	Oct 30	Oct 29	Oct 28	Oct 23
16.5	-	1,541n	-	1,599n
17	-	1,309n	-	1,360n
17.5	1,294n	1,294n	1,313n	1,337
18	1,208	1,201n	1,224	1,244
18.5	1,079	1,073n	1,078	1,092
19	965	959n	956	965
19.5	859	861n	859	866
20	746	747n	750	760
21	693	705n	706	716
22	682	688n	688	697
23	661	667n	678	696
24	683	680n	678n	695
25	613n	613n	613n	622n
26	539n	539n	539n	546n
28	437	456n	459	464
30	398	414n	410	416
32	359	372n	366n	368
MC	453	449n	448n	457

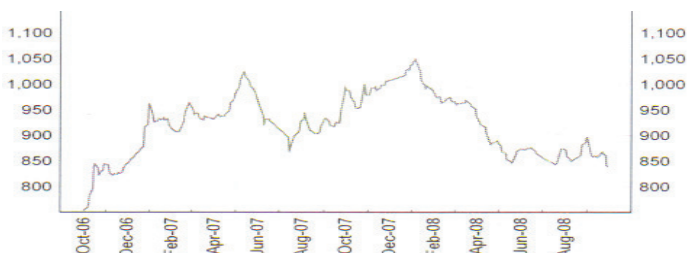
Western Region

Micron	Oct 30	Oct 29	Oct 23	Oct 22
17	-	-	-	-
18	-	-	-	-
18.5	-	1,058n	-	-
19	940n	942n	947n	971n
19.5	845	846	858	866n
20	741	741	756	761
21	697	696	708	714
22	676n	676	688	696n
23	668n	668n	684n	695n
24	-	650n	-	-
25	-	-	-	-
MC	418n	425n	426n	429n

MC = Merino Carding

Source: Australian Wool Exchange (AWEX)

AWEX EMI last 2 years



Schneider Fine Wool Indexes

Each index represents a market quotation, based on Australian dollars, for a selected range of types. The indexes are not price expressions.

Micron	Oct 30	Oct 23	Oct 16	Oct 9
15	1,966.00	2,262.00	2,439.25	2,778.88
16	1,414.20	1,570.25	1,639.40	1,774.30
17	1,238.50	1,322.90	1,416.65	1,513.45
18	1,140.65	1,209.30	1,283.35	1,313.50
19	885.55	923.90	1,000.90	1,016.40

Noils

Prato				Micron	July	Sept	May
Euros per kg. Lanameter fineness				20.5	2.30	2.30	2.35
Micron	July	Sept	May	21.5	2.25	2.25	2.30
17.5	2.50	2.60	2.65	22.5	2.10	2.20	2.25
18.5	2.40	2.50	2.55	23.5	2.00	2.10	2.10
19.5	2.35	2.35	2.40				

New Zealand Wool Services indicators

Segment Indicators NZ cents per kg. clean

	Merino	Mid Micron	Fine Xbred	Coarse Xbred	Lamb
Week 07 14/08/08	N/A	689	402	388	380
Week 08 21/08/08	N/A	N/A	398	383	376
Week 09 28/08/08	1,450	670	403	390	376
Week 11 11/09/08	N/A	684	412	400	382
Week 12 18/09/08	1,458	695	412	394	N/A
Week 13 25/09/08	N/A	667	400	386	N/A
Week 14 02/10/08	1,407	653	390	373	N/A
Week 15 09/10/08	N/A	N/A	405	380	N/A
Week 16 16/10/08	1,349	689	411	387	N/A
Week 17 23/10/08	N/A	N/A	399	378	N/A
Week 18 30/10/08	1,082	588	391	375	N/A

Supplied by New Zealand Wool Services International.

New Zealand Greasy

Quotations, in NZ cents/kg., c.i.f., Bradford, dry. As at October 30.

Mic/Igth	Price	Mic/Igth	Price	Mic/Igth	Price	Mic/Igth	Price
20.0/68	-	24.5/72	-	29.0/80	580	34.0/110	475
20.5/68	-	25.0/75	764	29.5/80	569	34.5/115	475
21.0/70	-	25.5/75	748	30.0/80	529	35.0/115	463
21.3/70	-	26.0/78	713	31.0/82	497	35.5/115	463
22.0/70	-	26.5/78	683	31.5/82	486	36.0/115	460
22.3/72	-	27.0/78	648	32.0/84	484	36.5/115	459
23.0/72	-	27.5/78	627	32.5/84	478	37.0/115	459
23.5/72	-	28.0/80	607	33.0/110	477	38.0/115	458
24.0/72	-	28.5/80	598	33.5/110	477	39.0/115	458

United States Wool and Mohair

Our correspondent Francis Rainsford reports: US wool trading on both clean and greasy bases at a standstill against very light to light demand with no confirmed sales in a week where very little quantity is available for transaction.

Mohair trading in Texas also at a standstill against moderate demand with no confirmed sales.

Source: USDA-AMS, Greeley, CO.

Next Sales

- **November 4, 5 & 6:** Newcastle 14,646 bales.
- **November 5, 6:** Melbourne 26,087 bales; Fremantle 11,749 bales.
- **November 5:** Port Elizabeth (wool).
- **November 6:** Napier 6,600 bales.

South America

Uruguay

Unless otherwise stated, prices are in US\$/kg greasy at farmgate for the period October 17- 23.

Wool Type	Microns	Unconditioned		Conditioned	
		Lots		Lots	
			US\$ 0.02 Prime	US\$ 0.04 Prime	
Superfine Merino Fleece	18.9 or finer 19.0 - 20.5 20.6 - 21.0	—	—	—	—
Merino Fleece	21.1 - 22.0 22.1 - 22.5	—	—	—	3.20
Merino Fleece and Merino Crosses	22.0 - 23.5 23.6 - 24.0	—	—	—	—
Ideal Fleece	Finer than 23.5 23.6 - 24.0 24.1 - 24.9 25.0 or coarser	—	—	3.02	—
Merilin Fleece (Uruguayan breed)	Finer than 24.0 24.1 or coarser	—	—	—	—
Fine Crosses	24.2 - 25.4	—	—	—	—
Fine Corriedale Fleece and Fine Crosses	25.5 - 26.5 26.6 - 27.5	—	—	—	1.90
Medium Corriedale Fleece	27.6 - 28.5 28.6 - 29.5	—	1.75-1.80	1.84	1.82
Coarse Corriedale Fleece	29.6 - 30.5 30.6 or coarser	—	—	—	—
Romney Marsh Fleece	34.0 or finer 34.1 or coarser	1.50	—	—	—
Bellies and Fine Subproducts	—	—	—	0.82	1.00
Bellies and General Subproducts	—	0.40-0.45	0.45-0.50	—	0.50
Fine Lambswool (Polwarth and Merino)	—	2.20-2.55	—	—	—
General Lambswool	—	1.40-1.70	—	—	—

Source: Uruguayan Wool Secretariat (SUL).

Argentina

Unless otherwise stated, prices are in US\$/kg greasy at farmgate for the period October 20 - 26.

Argentina Wool Price Indications - US\$/kg Combing Yield

Fineness Micron	45%	50%	55%	60%	65%
18.0	2.70	3.05	3.41	3.76	4.13
19.0	2.07	2.35	2.62	2.90	3.18
20.0	1.57	1.78	2.00	2.22	2.44
21.0	1.46	1.66	1.86	2.06	2.27
22.0	1.43	1.62	1.82	2.02	2.22
24.0	1.41	1.60	1.79	1.99	2.18
25.0	1.36	1.54	1.73	1.91	2.10
27.0	1.06	1.18	1.32	1.47	1.62
28.0	0.92	1.05	1.18	1.32	1.45
30.0	0.79	0.91	1.02	1.14	1.26
32.0	0.68	0.79	0.89	0.99	1.10
34.0	0.57	0.66	0.76	0.85	0.94
36.0	0.46	0.54	0.62	0.70	0.78

Source: PROLANA.

South Africa

CAPE WOOLS PRICE SUMMARY (SA cents/kg. clean)

OVERALL MERINO INDICATOR

Oct 29	Oct 22	Oct 15	% change	2007/2008 Season high	2007/2008 Season low	2006/07 Average
4,415	4,713	4,918	- 6.3	6,235	5,596	4,818 cents per kg.
						2005/06 Average
						2,641 cents per kg.

FLEECE WOOL PRICES

SPINNERS AND GOOD TOPMAKING STYLES, AWEX TYPES MF3, MF4 AND MF5. Fibre length measurements in millimetres.

Micron	100	90	80	70	60	50	40
18.0	-	7,225	7,163	7,079	-	-	-
18.5	-	-	6,598	6,628	-	-	-
19.0	-	6,293	6,226	6,308	5,528	-	4,982
19.5	-	-	5,598	5,559	-	4,951	5,014
20.0	-	4,938	5,062	5,028	-	4,309	4,140
20.5	-	4,647	4,639	4,530	4,370	4,158	4,007
21.0	-	4,512	4,543	4,509	4,348	3,898	3,460
21.5	-	4,452	4,524	4,379	4,077	-	-
22.0	-	4,467	4,392	4,409	4,232	-	-
22.5	-	4,380	4,420	4,232	4,098	-	-
23.0	-	-	-	-	-	-	-
23.5	-	-	-	-	-	-	-
24.0	-	-	-	-	-	-	-

BKB PRICES (SA cents/kg. clean)

All micron categories are on Australian Wool Exchange (AWEX-ID) basis

MARKET INDICATOR

Oct 29	Oct 22	Oct 15	2006/07 Season opening	2005/06 Season opening	2004/05 Season opening
4,203	4,438	4,603	3,772	3,210	3,471

Micron	Oct 29	Oct 22	Oct 15	2007/08 Season opening	Bales offered	Passed in (%)
17	7,925	8,925	9,075	7,838	49	71.4
18	7,175	7,775	7,975	7,375	145	38.6
19	6,144	6,544	6,444	6,694	308	26.0
20	4,931	5,231	5,381	6,106	903	19.9
21	4,481	4,706	4,931	5,781	1,232	29.1
22	4,313	4,588	4,788	5,638	708	16.2
23	4,225	4,425	4,650	5,375	505	7.3
24	4,050	4,350	4,475	4,975	134	13.4
25	3,950	4,325	4,325	4,550	45	6.7

Exchange Rates

	€	£	US\$	A\$	£ 3 Mths ago	£ Year ago
US\$	1.30	1.64	-	0.67	1.98	2.07
£	0.79	-	0.60	0.41	-	-
€	-	1.26	0.76	0.51	1.26	1.43
A\$	1.93	2.43	1.47	-	2.09	2.23
NZ\$	2.19	2.78	1.70	1.14	2.69	2.70
SA Rand	12.85	16.31	10.00	6.58	14.62	13.58
Yen	128	162	98	66	214	240
Index	95.41	88.0	91.1	76.7	93.4	102.8

British Wools

These figures are provided by the British Wool Marketing Board. Up to the following prices in p/kg. N.Q. = no quote.

GRADE	DESCRIPTION	Oct 29	Oct 15	Oct 1	Sep 17
226	Pick & Super Wrs	N.Q.	76.5	80.5	80.5
232	Pick & Super Cast	72.5	73.5	81	79.5
338	Halfbred Wrs	N.Q.	84	83.5	84.5
345	Halfbred Wrs Cast	77	79.5	82.5	85.5
430	Cross Wrs	78	80	82.5	84
434	Cross Wrs Cast	74	73.5	79.5	81.5
616	Cheviot Wethers	N.Q.	89	N.Q.	91.5
620	Cheviot Cast	N.Q.	88.5	N.Q.	95
659	Fine Radnor Cross Cast	72.5	73.5	80	78
663	Welsh Cast	65.5	67.5	68.5	69
666	Red Kempy & Lt Grey Welsh	58.5	62	62.5	62.5
668	Red Kempy & Lt Grey Radnor X	63.5	63.5	N.Q.	67.5
707	Swaledale & Dalesbred	N.Q.	52.5	54.5	N.Q.
709	Swaledale Grey	N.Q.	44.5	46.5	N.Q.
723	Blackface Carpet White	N.Q.	89	N.Q.	90.5
732	Blackface Light Cast	N.Q.	N.Q.	N.Q.	69.5
BRITISH FLEECE INDICATOR P/KG		71	73	75	75

Speciality Fibres

Quotations for all the following fibres and tops are average prices in US\$ per kg. Source: Seal International, Bradford.

	Oct 30	Oct 23	Oct 16	Oct 9
Chinese cashmere (dehaired)				
White				
Hosiery 38mm	102.0	102.0	102.0	102.0
Weaving 32mm	93.0	93.0	93.0	93.0
Brown				
Hosiery 38mm	97.0	97.0	97.0	97.0
Weaving 32mm	88.0	88.0	88.0	88.0
Mongolian cashmere (dehaired)				
Brown	81.0	81.0	78.0	78.0
Light grey	83.0	83.0	79.0	79.0
Afghan/Iranian cashmere (dehaired)				
White	82.0	82.0	82.0	82.0
Fawn	75.0	75.0	75.0	75.0
Dark Brown	73.0	73.0	73.0	73.0
Cape mohair tops				
Adult 37 microns	11.50	11.50	12.00	12.00
Young goat 33 microns	14.00	14.00	15.00	15.00
Super young goat 31 microns	18.00	18.00	20.00	20.00
Kid 28 microns	31.00	31.00	34.00	34.00
Kid 25 microns	49.00	49.00	52.00	52.00
Alpaca tops				
White				
Baby (BL)	25.00	25.00	25.00	25.00
Fine spinning (FS)	17.00	17.00	17.00	17.00
Adult (AG)	10.00	10.00	10.00	10.00
Angora				
Super quality	20.00	20.00	20.00	20.00
1st quality	19.00	19.00	19.00	19.00
2nd quality	18.00	18.00	18.00	18.00
3rd quality	17.00	17.00	17.00	17.00
4th quality	15.00	15.00	15.00	15.00
Off	13.00	13.00	13.00	13.00
Camel-hair (dehaired)				
Super baby	26.00	26.00	26.00	26.00
Medium baby	20.00	20.00	20.00	20.00
Adult	16.50	16.50	16.50	16.50
Yak-hair (dehaired)				
Super	25.00	25.00	25.00	25.00
Medium	21.00	21.00	21.00	21.00
Silk				
Mulberry sliver	29.00	29.00	29.00	29.00
Mulberry noil	9.50	9.50	9.50	9.50
Tussah sliver	21.00	21.00	21.00	21.00
Tussah noil	8.00	8.00	8.00	8.00

British Quotations for Tops

Pence per kg. dry-combed basis.

Old Quality	Mic/Lgt	Oct 30	Oct 23	Oct 16	3 mths ago	Year ago
Merino/fine crossbred						
120's	17.5	840	854	875	912	843
110's	18.0	788	798	805	870	800
80's	19/66	621	625	645	753	717
70's super	21/70	470	474	520	584	593
70's blended	21/65	453	460	514	540	564
66's	22/65	457	459	505	567	554
64's super	23/68	447	452	485	547	525
64's blended	23/64	435	440	481	498	507
60's super	25/70	411	411	410	438	415
60's blended	25.5/70	396	396	389	375	385
58's super	27.5/80	334	339	331	343	325
58's blended	28/78	327	332	314	307	305
Crossbred						
56's (Australian)	29.5	285	287	280	291	270
56's super	29.5	285	287	280	291	270
54's	31	263	265	263	274	260
50's	34	255	257	255	266	253
£/US\$ rate		1.64	1.71	1.72	1.98	2.07
British crossbred203						
58's		211	212	212	215	203
56's		209	210	210	213	201
54's		206	207	207	210	198
50's		206	207	207	210	198
48's		205	206	206	209	197

South African Mohair

	October 29 bales sold	Mass sold in kg.	Av. price rands/kg.	Highest price
Kids				
<=25 Micron long (A/B)	7	691.5	296.81	353.00
26 to 27 Micron long (A/B)	19	2,213.3	243.59	320.02
28 to 30 Micron long (A/B)	15	2,091.5	103.65	150.00
<=25 Micron medium (C)	16	1,817.0	231.88	340.02
26 to 27 Micron medium (C)	27	3,295.2	203.23	320.00
<=25 Micron short (D)	6	718.9	148.53	185.00
Total (all lots)	181	22,829.3	138.34	-
Young Goats				
27 to 28 Micron long (A/B)	1	119.0	100.00	100.00
29 to 32 Micron long (A/B)	25	3,400.9	73.43	85.00
33 to 34 Micron long (A/B)	9	1,504.8	61.63	65.00
27 to 28 Micron medium (C)	6	723.3	76.01	84.10
29 to 32 Micron medium (C)	41	5,854.6	66.76	84.10
33 to 34 Micron medium (C)	21	2,795.0	61.61	64.00
29 to 32 Micron short (D)	43	5,836.5	59.03	70.02
Total (all lots)	218	30,167.2	58.03	-
Adults				
33 to 34 Micron long (A/B)	3	469.9	61.94	63.10
35 to 43 Micron long (A/B)	66	10,410.2	60.81	63.00
30 to 32 Micron medium (C)	7	1,029.1	60.04	68.00
33 to 34 Micron medium (C)	27	4,140.0	58.07	61.10
35 to 43 Micron medium (C)	132	19,809.8	59.21	63.00
30 to 32 Micron (D)	9	1,322.8	54.47	58.64
33 to 34 Micron short (D)	39	5,992.8	56.96	61.00
35 to 43 Micron short (D)	84	12,477.1	54.81	61.44
Total (all lots)	565	84,139.5	51.63	-

Source: Mohair South Africa

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**Market
REPORT**