



**H. DAWSON**

wool suppliers since 1888

Wool solutions  
The world over

T: + 44 (0) 1274 727464  
mail@hdawson.co.uk  
www.hdawson.com

# The Wool Record Weekly

# Market

# REPORT

*The exclusive weekly world price guide*

NOVEMBER 29 2007

Edited by Jonathan Dyson

**AUSTRALIA:** The Wool Exchange's Australian Market Indicator (EMI) closed today at 987 Australian cents/kg clean, down 0.5% (5 cents) on last week. In US currency, the market was up 0.3% (3 cents), with the Australian dollar falling to around 88 US cents. In euros, the market lifted by 0.7% (4 cents), as the Australian dollar against the euro fell to around 59 cents. There was reportedly an outstanding fine wool offering at Newcastle, with superfine specialist G Schneider the second biggest buyer today and Tuesday, and the third biggest yesterday, with very strong competition overall. In Melbourne and Fremantle, however, analysts said that the selections were generally poor, with the effects of the drought continuing to cause severe difficulties. Nationally, competition was widespread, with China relatively active, and Modiano also prominent. However, experts are saying that several buyers held back, especially today, due to a roster forecast for next week of 68,592 bales, compared to this week's offering of 54,299 bales, which brought an 89% clearance. Today's pass-in rate was 17.8%. The offering for the final selling week of the year, December 11-13, is forecast at around 54,000 bales. Following the three-week Christmas recess the first sale of 2008 will be on January 8. Scattered rain has fallen this week across much of south eastern Australia.

**NEW ZEALAND:** Prices at today's auction in Christchurch generally strengthened despite a substantially stronger NZ dollar, up 3% against the US dollar to 77.5 US cents. The only area not to benefit was the small offering of average style 27 micron and finer wools which softened by 3-6%. Better style mid

## M&S launches organic wool sweater range

UK retail giant Marks & Spencer is to launch a range of Australian organic Merino wool jumpers next month, with 11,000 sweaters available for around £30 (\$A70) each. The sweaters are made from wool supplied by The Merino Company (TMC), which is to supply M&S with 140 tonnes of 19.5 micron organic wool over the next 12 months. The entire supply chain for the jumpers will be organically certified with the help of Ciel Textiles, the second largest Woolmark knitwear supplier in the world. TMC will also be providing M&S with point-of-sale marketing material, showcasing organic farmers and their properties. As well as its organic wool, TMC has recently launched ZeroC02 'carbon neutral' wool, Generation W 'ethically produced' wool, and Antipodes 'heritage wool,' where one family has produced wool from a particular area for six generations.

M&S announced its 'Plan A' earlier this year, a £200 (\$A450) million dollar five-year project aimed at becoming more sustainable in every area of the company.

micron wools of between 27.5 and 31.5 microns were strongly contested, rising by 2-3%. A good selection of Hogget wools and the coarser carpet types continued to capitalise on the previous week's pressured supply-based market lift, resulting in stronger prices for this sector, up by 1-2%. All oddment types also benefited, increasing by 2-4%. There was widespread competition from Western European, Middle Eastern, Indian and Australasian interests with support from China and local mills. The offering of 7,423 bales brought an 87% clearance. Source: Wool Services International.

**PORT ELIZABETH:** The market had a complete change in fortune at yesterday's sale following last week's poor performance, with prices of most types posting solid gains. Cape Wools' Merino indicator subsequently rose by 4.8% to close at R60.68/kg (clean), up 8% on the opening level. This week's price hike can be attributed mainly to the weaker rand

which, on Monday, broke the critical R7.00 mark against the US dollar, and an upward correction to bring local prices more in line with Australian levels. Although the rand regained some lost ground since then to reach R6.96, it was still down 3% against the US dollar, compared with last week, and 2.7% weaker against the euro. All good Merino styles were dearer, but the finer end of the market recorded the biggest increases. The best performer was 19 microns, gaining more than 8%, while 20 microns rose by almost 6%. A total of 9,053 bales were offered, with a clearance rate of 97%. Major buyers were Modiano (2,320 bales), Standard Wool SA (1,521 bales), Chargeurs Wool (1,341 bales), and ADF (1,177 bales). Average price movements for AWEX-type fleeces, MF4 and MF5 of 70 and 80 mm were up as follows: 19 microns 8.3% to R75.40/kg; 20 microns 5.7% to R67.12/kg; 21 microns 4% to R60.96/kg; 22 microns 4.8% to R59.03/kg;

and 23 microns 4.5% to R56.83/kg. There were no quotes for 24 and 25 microns. Approximately 10,000 bales will be offered at next week's penultimate sale before the Christmas recess.

**CAPE:** Due to higher price levels, the sales value of wool sold so far is up 35%, compared with the same period last season. The average clean wool price for the clip stands at 5.346c/kg, compared with 3.929c/kg last season, while the average greasy price is 3.303c/kg. In 2006/07 it was 2.454c/kg. The average sales percentage, which includes after sales, is 99%, representing a 1% increase on last season. Although receipts at brokers' stores are up 4.2%, there has been a 0.6% fall in the number of bales offered at auction. Source: Cape Wools.

**URUGUAY:** Demand for Merinos from buying processors is showing a cautious attitude, especially concerning prices. However, the market is more active for Corriedale wools, with strong interest from exporters. Source: Faxlana. More movement was noticeable, especially for Corriedale wools, with demand active and offerings not too big. In many cases, payment terms were longer than usual - between 45 and 60 days. Source: Uruguayan Wool Secretariat (SUL).

**ARGENTINA:** Around 150 clean tons (dry basis) were traded last week throughout Patagonia. Fine and super fine clips continue to sell at excellent prices. This week, a good deal of Santa Cruz clips, mostly Merinos but also some fine Corriedale wools, changed hands with most operators taking part. As there are no auctions in the country, the preferred way to sell is by tender. Other farmlots sell by private treaty, in some cases giving preference to a usual buyer. Source: our correspondent Jack Allolio.