

Wool market weakens by 2.6%

The wool market put up a dismal performance at the first sale after the Christmas recess and the Cape Wools Merino indicator shed 2,6% compared to the closing sale of the previous season to close at R107,93/kg (clean).



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This is a 3,3% decrease on the opening sale and is 6,7% down on the corresponding sale of last year.

Buyers attribute the weaker market to the current low commodity prices and a large percentage of the offering consisted of low quality wool.

The expectation of a significantly large offering next week also placed downward pressure on prices. Good quality, well-grown Merino wools remain highly sought after.

The rand has depreciated by 0,6% against the US dollar compared with the average rate at the previous sale, trading at R11,53, while it was 4,5% stronger against the Euro at R13,56.

The sale resulted in a 97% clearance of the 11,928 bales.

Major traders were Lempriere SA (4,506), G Modiano SA (2,116), Stucken & Co (2,082) and Standard Wool SA (1,907).

The average clean prices for the selection within the different categories good top-making (MF5), long fleeces were as follows: 18 microns were up by 3,5% to close at R112,59/kg, 18,5 microns weakened by 0,4% to R114,97/kg, 19 microns shed 1,9% to close at R112,77/kg, 19,5 microns dropped with 3,3% to close at R109,41/kg, 20 microns lost 2,9% to close at R106,74/kg, 20,5 microns decreased with 2,8% to close at R106,37/kg, 21 microns declined 3,3% to close at R105,88/kg, 21,5 microns weakened by 2,9% to R105,88/kg and 22 microns dropped with 3,0% to close at R105,88/kg.

The next sale is scheduled for 21 January where approximately 19,000 bales will be on offer.

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