



WEEKLY COTTON REPORT

2 December 2011

Greek prices and basis have been reduced sharply.

⊙ The serious need for cash flow on behalf of several ginners (especially the defaulters) in combination with the lack of demand for our crop has squeezed a lot our prices and brought, in some cases, special offers that are valid only for immediate payment and shipment. Due to the well known problems of our economy, banks are not able of supporting ginners as they used to do in the past and therefore many ginning firms or cooperatives are obliged to lower seriously their offers.

⊙ As a result during the week several new business were reported ranging between 82-88 usc/lb FOT depending on quality and shipments. In addition few ginners preferred to sell on call at basis of about 400-500 off March hoping that the market will give them an opportunity to fix at better levels. It is true that so far the on call contracts have given better prices compared to the fix ones. Buyers were international merchant who are trying to take advantage of this correction and sell to Far East and as usual few Turkish spinners.

⊙ Even though the usd is getting favorable for ginners these price levels are well below their production cost. There is a belief in our market that serious losses of current season will not be easily over passed and this may change our ginning sector radically.

⊙ Calculating a tolerance of 3% the status of our crop is as follows:

CROP

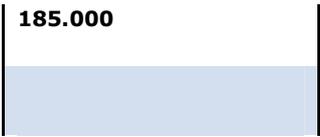
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PRODUCTION	290.000
SALES / EXPORTS	90.000
CONSUMPTION	15.000

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BALANCE FOR EXPORTS

185.000



Kind regards
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