



WEEKLY COTTON REPORT

As of 3 August 2007

Ongoing sales at a slow pace both on current and new crop

© Following last week's futures correction, most of the Turkish spinners have stepped back trying to evaluate the market before proceeding to new purchases. Of course this doesn't mean that there is not any new business to report. During the week several new sales were made at the levels of 139-142 c/kgs FOT for the average Greek quality (HVI good 51) while few better lots (HVI 41) were sold at prices up to 145 c/kgs FOT. International merchants are not so interested in current crop and rather organizing their plans for the coming one.

© So far cotton fields are in very good shape, taking advantage of the favorable weather conditions. Lately there are various pessimistic estimates for the Greek new crop production. The figure of lower than 300,000 tons of lint cotton at the moment seems to be unrealistic. Under normal weather conditions and provided we accept the conservative 320,000 he of cotton acreage here is where we stand:

320,000 hectares
x 3,000 kg/he yield on the fields
960,000 tons of seed cotton
x 35% yield in the ginning mill
336,000 tons of lint cotton

© Lastly, regarding sales of new crop, several ginners have started committing some of their production, though at a slower rate. So far we calculate about 10-12,000 tons of on call new crop sales.

Best regards,
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