



WEEKLY COTTON REPORT

As of 4 March 2011

Few sales on current crop, merchants are getting active in new crop.

© Stocks of current crop (about 10,000 tons) are in the hands of few ginnerers who are not in a hurry to sell. When the market was correcting these ginnerers refused to lower their offers since they were confident that very soon physical prices will again increase due to shortness of cotton. Indeed ginnerers were right and as a result several sales of small volumes were reported during the week at prices higher than 200 usc/lb FOT for the typical after rain quality. Limited pre rain qualities were sold even higher.

© Buyers were mostly Turkish spinners as Egyptians are not active these days due to their well known political problems. International merchants are following the market but buying only exceptionally. Most of them are rather focused on new crop, aiming to secure the quantities that were rolled over. At the same time new crop sales have already been started at levels between 18-21 usc/lb on Dec 11.

© Referring next season acreage all sources predict an increase of 25-30%. In other words the acreage may be about 290,000 hectares. The good thing is that with such high cotton prices all growers will target to maximize yields. Thus, provided we don't face again any huge problem with worms or extreme weather conditions, lint production may reach 300,000 tons which is about 60% increase from last crop.

© During the week there was also some sad news about our market. Following this season's defaults one ginning firm of Thessaly was put on the default list of ICA. Lastly, there are rumors that two ginning mills in Levadia are facing serious financial problems and their operation for next season is under question...

Kind regards
Yiannis Papadoyiannis



HELLENIC COTTON EXPORTS: 4-6 Demokratias Avenue, Neo Psychiko, 15451 Athens, Greece
Tel : + 30 210 67 15 453 FAX: + 30 210 67 47 347 E-mail: hecot@hecot.gr Web-site: www.hecot.gr

Disclaimer

Information contained herein is based on data obtained from recognized statistical services, issue reports or communications, or other sources, believed to be reliable. However, such information has not been verified by “Investment Research & Analysis Journal” (“IRAJ”), and “IRAJ” does not make any representation as to its accuracy and completeness. Opinions, estimates, and statements nonfactual in nature expressed in the research reports presented by “IRAJ” represent judgment as of the date of the reports, are subject to change without notice and are provided in good faith and without legal responsibility. In addition, there may be instances when fundamental, technical and quantitative opinions, estimates, and statements may not be in concert. Neither the information nor any opinion expressed shall constitute an offer to sell or a solicitation of an offer to buy any shares, warrants, convertible securities or options of “covered companies” by no means.
