



WEEKLY COTTON REPORT

As of 4 July 2008

Sales are carrying on at a slow pace.

- ⊙ The continuous drop in NY cotton futures made direct buyers either slow down or considerably lower their bids. Never the less we heard of direct sales some domestically and very few to Turkish spinners at levels of 75-77 c/lb FOT depending on quality and eur / dollar rate. Apart from this business the majority of Turkish spinners are still not following the Greek offering prices. Demand from Egypt has slowed down and frequently it is being covered by merchant's positions.
- ⊙ Several ginner, taking advantage of the falling cotton futures, found opportunities to sell to merchants current stocks on call, basis Dec 08, at much more attractive levels from the previous weeks (400-450 off Dec 08). Sellers are counting on the volatility of the cotton market and targeting to fix their sales at a possible rally.
- ⊙ Regarding quantities, although it is hard to estimate the remaining stocks of this season, several sources calculate about 85,000 tons left in ginner's warehouses. Of course a big part of these stocks will be transferred to the new season which is estimated at the lowest levels of the decade (possibly 250,000 tons of lint). The new crop is developing under favorable whether conditions without any serious problems reported. The general trend is to fertilize and irrigate as much as possible in order to get good yields.

Best regards,
Yiannis Papadoyiannis



HELLENIC COTTON EXPROTS : 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

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