



WEEKLY COTTON REPORT

As of 4 December 2008

Lack of new sales due to alternative competitive crops and drop of consumption.

© There are not many things to report during this week. Although ginner's offers are lower from previous weeks, traditional Greek buyers still cannot follow since, they have the option to buy other crops cheaper. At the same time most spinning mills have strongly reduced their capacity influenced by the global crisis / recession. The drop of consumption not only in Turkey but also in Far East markets will definitely make new sales harder. The biggest sale that was heard in our market lately was coming out of an Egyptian tender for 3,000 tons at about 60 usc/lb CIF Egyptian port.

© Taking advantage of the recent NY future's rally some ginner's found the opportunity to fix part of their uncomfortable on call contracts and just reduce their losses. The bad thing is that these on call sales of new / old crop are corresponding to very high cost of production that ginner's had last season.

© Regarding the deal for the port of Piraeus the news is optimistic. Finally, China's Cosco Pacific signed a guaranteed -3.4 billion deal with OLP (Piraeus Port Authorities) to upgrade and run the port facilities for 35 years at Piraeus.

© Price wise, due to the lack of demand ginner's have lowered their asking levels at about 52 usc/lb FOT for the pre-rain quality and 49-50 usc/lb for the after rain.

Best regards,
Yiannis Papadoyiannis



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