



WEEKLY COTTON REPORT

As of 7 March 2008

The volatility in cotton futures and the weak dollar is worrying ginners

⊙ In the beginning of the week after the NY cotton rallies, ginners were on the one hand happy with the higher levels, but on the other hand worried at what extend this increase in futures will be followed by the physical market. As a result there was a variety of offers between 80-85 usc/lb FOT which was hardly followed by potential buyers. In the middle of the week, when we saw some signs of correction, ginners were lowering their levels proceeding to new sales.

⊙ Most of the times the quantities sold were small (hand to mouth inquiries) either from Turkish spinners or few merchants. The prices that were finally paid were ranging from 77 up to 80 usc/lb depending on the quality. It seems that the only ones who took great advantage of the recent rally were some ginners who were keeping unfixed their on call contracts and finally fixed at the highs.

⊙ Quantity wise evaluating several estimates in our market, we should calculate availability approximately as follows:

Production & last crop stocks.....	320,000
Local consumption.....	70,000
Committed for exports.....	100,000

Available for exports.....	150,000

⊙ Regarding shipments, unfortunately the huge problem in our main ports still exists. The bad news is that the court declined the charge of declaring the ongoing strikes as illegal, which was a major win for dockworkers. Lastly, price wise today ginners have lowered their prices at more realistic levels (76-77 usc/lb) however, due to the limit down buyers are holding back.

Best regards,
Yiannis Papadoyiannis



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