

WEEKLY COTTON REPORT

As of 7 May 2010

Increased new crop sales following optimistic news about acreage & production.

- © During the last two weeks several new crop sales have been concluded. It is not only the private ginners that are offering but also the cooperatives which exceptionally this year have committed serious quantities. The latest sale, on behalf of a coop, was done two days ago for 2,000 tons at levels of 79.50 usc/lb FOT. We estimate about 23,000 tons of lint (crop 10/11) already sold, out of which 35-40% correspond to cooperative's sales.
- In the private sector, most sales have been concluded on an on call basis starting from levels of even (three months ago) up to 200 on Dec (most recent basis). A small part of these sales has already been fixed by ginners who seemed interested in getting prices between 77-80 c/lb FOT. In addition, during previous week some sales to Turkish spinners were concluded at levels of 180 c/kgs FOT, however, with the market correcting within this week Turks have stepped back.
- The good news for ginners comes from the euro / usd rate. The specific parity is becoming on daily basis favorable for ginners and in general Greek exports. In addition, due to increased lint prices, cotton cultivation in our country is gaining back some of its appeal. Right now we are at the early stage of plantings and so far it is estimated that acreage will increase by at least 15%. In other words it is more likely that cotton acreage will be about 250,000 hectares.
- Lastly, cotton growers will target for high yields not only because of the increased lint prices but also due
 to the recent application of the restriction to reach a minimum yield in order to receive the coupled subsidy.

Kind regards,

Kind regards Yiannis Papadoyiannis



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