



## WEEKLY COTTON REPORT

As of 9 May 2008

### May has brought motion in sales mostly on behalf of international merchants

© For the last ten days things have been rather active on the Greek market. Three different types of new sales can be reported.

1. On call basis Dec 08 of current crop with new crop delivery terms. As the market went lower the basis seemed more attractive to many ginners compared to the equivalent fix prices. There is plenty of time till Dec 08 so most ginners believe that they will have the opportunity to fix at a 'fair' price.
2. On call basis July 08 of current crop with prompt shipment & shipments. Some ginners who had not sold serious quantities so far decided to commit some stocks basis July 08 provided they get an early payment.
3. Direct sales of ginners to mostly Turkish spinners. Some Turkish mills decided to buy few 'hand to mouth' quantities at levels around 163-164 usc/kgs FOT. These levels seem attractive to ginners mainly because of the strengthening dollar.

© As a result these last sales have reduced the current stocks which should be at the levels of 135 - 140,000 tons. Still this figure is a 'career high' for this month of the year and it is most likely that a big part of these stocks will be transferred into the new season.

© The new crop plantings are developing under normal weather conditions without any serious problems so far. Everybody is talking about the drop in cotton acreage in favor of wheat - corn, but no one can make an accurate estimate on this shrink. Most possible scenario is cotton plantings to be 25% less in the new season. Combining several serious sources we can make an early estimate of about 260,000 hectares that will at least be seriously cultivated by growers. Under favorable weather conditions this figure may result to max 265,000 tons of lint.

© Lastly, price wise today all ginners are reluctant to offer in anticipation of the new S&D report. They need to evaluate the report and today's session and consider their strategy for the future.

Best regards,  
Yiannis Papadoyiannis



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