



WEEKLY COTTON REPORT

As of 10 October 2008

Pessimistic feeling following the global financial crisis.

⊙ There is not much activity lately in the Greek cotton market. The collapse of stock markets / commodities as well as the fear of recession is obviously not helping new business. Ginners are waiting for cotton to find its bottom and then decide their selling strategy. On the other hand potential buyers are watching a falling market and do not proceed to purchases unless it is really urgent for them. As a result both Turkish and some Egyptian spinners are in our market gathering information and searching for low prices, however we hardly hear of a new sale.

⊙ Crop wise, during the week the weather was beneficial for harvesting. In all cotton areas farmers are picking up the cotton and delivering it to ginning mills under an open price. The so called 'after rain' cotton varies in color, depending on the area planted, between HVI 41 and high end 51. All the other characteristics are the normal Greek cotton good specs (staple 1 3/32" - 1 1/8", strength min 28 GPT, mic range 3,9-4,7 NCL). In Macedonia area harvest will be in full swing next week but so far it seems that the less affected fields are the ones in Serres and Drama.

⊙ Referring new crop quantity, the rainfalls of the previous week thankfully did not affect seriously the size of the crop. According to several sources the total lint production will reach the 250,000 tons out of which 50,000 will be the domestic consumption. Of course we should bear in mind the last season's stocks (about 40,000 tons) that have been carried over to the new season.

⊙ Last prices circulating in our market were at levels of 63-63.50 c/lb FOT for the good stocks.

Best regards,
Yiannis Papadoyiannis



HELLENIC COTTON EXPORTS : 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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