



WEEKLY COTTON REPORT

As of 12 June 2009

Increased Turkish demand at the end of the week.

© For more than ten days that NY futures were mostly correcting, the majority of spinning mills were only price checking and waiting without any serious buying interest. Some spinners who were in need of cotton paid the asking levels of ginnings (59-60 usc/lb), however others appear to be covered for the coming months following the purchases of previous months. Finally, yesterday that the market was again strong, demand from Turkey was intense and resulted into new sales for prompt shipments. The prices reported were between 58 - 60 usc/lb FOT depending on the quality while the volume was serious.

© International merchants are mostly in a selling mood rather than buying. We have been hearing of some sales to Turkish destinations during the last two weeks that the NY market was under pressure. From the Egyptian market lately demand has got stronger but so far it has not resulted into new sales. Egyptian spinners are hardly following ginnings asking levels and bidding at lower prices for higher grades.

© Regarding the new crop cultivation everything is developing under normal conditions without serious problems. Compared to previous seasons we are a bit late due to colder than usual weather conditions during harvesting. Business wise we are experiencing the lowest levels of new crop pre-sales for the last five years. The basic reasons for this slow down are the following:

- The production next season will further drop by 20% so quantities will be limited.
- International merchants experienced a really hard season and most of them are reluctant to undertake risk at this stage.
- Ginnings are focused on direct sales trying to take advantage of the strong demand, rather than thinking of selling on call the new crop.

Kind regards
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