



WEEKLY COTTON REPORT

As of 19 December 2008

Dropping usd is making ginner's asking prices on the high side.

© The eur / usd rate has been the key factor of this week. When the rate was at levels of 1,25-1,30 ginner's were able of offering at more attractive levels while today (1,4250) they are obliged to ask higher levels (above 50 c/lb for the after rain quantities). As a result there was a lack of new sales to all traditional clients of Greek crop. Turkish mills are keeping an eye on our market but without following ginner's offers while Egyptian buyers are loading some crop 08/09 recent purchases. At the same time there is some demand from Far East markets for the middling quality but their bids are not attractive to sellers.

Calculating the status of our crop, below you will find the 'balance sheet' of crop 08/09 as per December 08.

Dec 08 Greek cotton status	
GREEK COTTON	08/09
PRODUCTION:	240.000
UNSOLD STOCKS 07/08	20.000
IMPORT	-
TOTAL SUPPLY:	260.000
LOCAL CONSUMPTION:	40.000
NET SURPLUS FOR EXPORT:	220.000
SALES 08/09	30.000
BALANCE FOR EXPORTS	190.000

FIGURES IN TONS

© We should of course bear in mind that several purchases of merchants are under the option to deliver either 07/08 or 08/09 crop, which means that the above figures of 'old crop unsold' and 'sales 08/09' could change accordingly.

© Lastly, as we are getting in the period of wheat plantings, it is more likely that next season 09/10 we are going to have one more drop in acreage by about 15% (about 200,000 he.). The biggest drop this year seems to be in Thessaly area while in other areas it is possible that farmers will turn their cultivations from corn to cotton.

Best regards,
Yiannis Papadoyiannis



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