



WEEKLY COTTON REPORT

As of 22 January 2010

The future's correction has slowed down business.

© NY futures are correcting however Greek prices are hardly following insisting on levels of 75 usc/lb FOT. Of course there is better negotiation margin due to strengthening of usd towards the euro but prices of 73-74 usc/lb for HVI 41 cannot be reached at the moment. Ginners are not so much in a selling mood and prefer to wait influenced by the following reasons:

1. For the last two weeks there is increased demand from Egypt that has resulted into new sales. Egyptian spinners followed ginner's offers and absorbed serious quantities at levels of 74.50-75.50 depending on quality.
2. The remaining stocks are about 70,000 tons (including merchants unshipped quantities) and ginners feel that they will not face any difficulties in selling on the coming months, counting a lot on Turkish demand.
3. The unsold quantities are in the hands of few and financially strong ginners who will not panic on a future's correction, especially in a season that looks profitable.

© International merchants and Turkish spinners have stepped back and wait for futures to stabilize before they purchase new quantities. Lastly the good thing is that the majority of current stocks are of good quality, while lots of HVI 42 / 52 or 51 are very limited.

Kind regards
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