



WEEKLY COTTON REPORT

As of 26 June 2009

Existing demand but few sales concluded.

© Prices of our crop are strongly resisting to the NY futures correction. The main reasons for this fact are the following:

- Reduced current crop stocks (about 30-40,000 tons) are not pressing any more ginner to sell lower. They prefer to either wait for the right timing or transfer these volumes to the next crop.
- There is still some demand from Turkey for small volumes, prompt shipments at prices of 59 usc/lb FOT.
- The euro / usd rate is preventing ginner from offering lower. Several sales of the last two months were considered in the beginning as profitable, but now that the shipment is being done and the usd is much weaker the margins are tightening.

© Apart from these hand to mouth sales to Turkish spinners, Egyptian buyers and international merchants were not so active during the week. Merchants are focused on their sales as we approach the end of the season, while Egyptian spinners are focused on cheaper offers (Syrian, Sudanese).

© Regarding new crop, according to several cotton seed companies the cotton cultivation in the new crop is around 185,000 hectares (about 25% less than last year). At the same time the union of Greek cooperatives (PASEGES) is calculating the acreage at 210,000 hectares. Under favorable weather conditions it is more likely that the lint production in the coming crop will range between 185,000 - 195,000 tons. So far our crop is a bit late due to low temperatures over night however in case the weather becomes warmer in the coming months the crop will gain back this delay.

Kind regards
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