



WEEKLY COTTON REPORT

As of 26 August 2011

Lack of new crop sales while basis is under pressure.

- ⊙ Following the end of summer holidays, our market is getting active again. Ginners are trying to investigate selling opportunities or (just checking the market) however, sales are not being concluded as basis is continuous falling.
- ⊙ Apart from the roll over quantities of last season, few ginners have started selling forward in February & March at very attractive basis (around 20 usc/lb on Dec). Later on they increased their sales a bit at levels of 10 usc/lb on Dec. In the beginning of August offers were around 3-5 usc/lb on Dec while now they are targeting at even Dec but without any success. In addition, some medium and small sized ginners tried to sell to Turkish spinners at basis of 3-5 usc/lb off Dec in order to obtain cash flow in the beginning of the season. Greek banks have lowered credit lines and a big percentage of ginners will have to change selling strategy in order to survive...
- ⊙ The crop is developing well and many people claim that we have gained some of the lost time. Green worm problems were reported in several areas at a small extend and growers, who were alarmed this season, took all the necessary actions to overpass this problem. The official cotton acreage has not been announced yet but according to other sources it should be around 290,000 hectares. Under normal weather conditions in September, harvesting is predicted to begin in the first days of October.

Kind regards
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