



WEEKLY COTTON REPORT

27 April 2012

Few sales of current and new crop concluded, plantings in full swing.

© Current crop: As we approach May, stocks are getting limited (approx. 20,000) and in the hands of few ginnings. There is no rush for sales since the majority of these ginnings has settled their commitments and is able of holding stocks in their warehouses. However, the recent strengthening of euro towards the usd gave the opportunity for new sales. In the last two weeks depending on quality and shipment terms sales have been concluded at prices of 93-98 usc/lb FOT. Buyers were Turkish & Pakistan spinners and for some selected lots Far East merchants.

© New crop business: Following the Easter holidays there was an attempt from ginnings to increase a bit the basis for the new crop. Since they had already sold some volume at basis around the even Dec, it was logical that they would try to get slightly higher prices in order to commit more quantities. Thus, offers circulating in our market were ranging at levels between 100-200 pts/lb on Dec 12 but without much success and with merchants slowing down their purchases. It is estimated that so far new crop sales are about 12,000 tons.

© New crop plantings: Plantings are in full swing these days. According to several sources about 80-90% of the cotton fields will have been planted by the end of this week. Growers who waited one more week in order to avoid the rainfalls during Easter proved to be correct. In general the weather conditions are ideal for plantings and the forecast for coming week is favorable for the early growth of cotton plants. Although it is still early to make an accurate calculation, it seems that the acreage this season will be bit lower (7-10%).

In other words cotton acreage for the new season may be 250-260,000 Hectares. The main reason for this reduction is the cost of production in combination with the lint price's correction compared to previous season. Therefore some farmers switched crops to corn durum wheat and clover. However, the good thing is that due to the heavy winter it is more likely that we will avoid any problems of green worm and consequently the yields may improve. In that case any possible reduction in lint production will be much smaller to the one in acreage.

Kind regards
Yiannis Papadoyiannis



HELLENIC COTTON EXPORTS : 4-6 Demokratias Avenue, Neo Psychiko, 15451 Athens, Greece
Tel : + 30 210 67 15 453 FAX: + 30 210 67 47 347 E-mail: hecot@hecot.gr Web-site: www.hecot.gr

Disclaimer

Information contained herein is based on data obtained from recognized statistical services, issue reports or communications, or other sources, believed to be reliable. However, such information has not been verified by “Investment Research & Analysis Journal” (“IRAJ”), and “IRAJ” does not make any representation as to its accuracy and completeness. Opinions, estimates, and statements nonfactual in nature expressed in the research reports presented by “IRAJ” represent judgment as of the date of the reports, are subject to change without notice and are provided in good faith and without legal responsibility. In addition, there may be instances when fundamental, technical and quantitative opinions, estimates, and statements may not be in concert. Neither the information nor any opinion expressed shall constitute an offer to sell or a solicitation of an offer to buy any shares, warrants, convertible securities or options of “covered companies” by no means.
