



WEEKLY COTTON REPORT

As of 27 August 2010

New sales concluded while green worm problem is bringing worries.

© During the week few ginner's took advantage of the NY futures increase and sold at seasonal high prices. International merchants as well as Turkish & Egyptian spinners followed ginner's ideas and paid levels of 90-92 usc/lb FOT depending on quality and delivery terms. Volumes in all cases are rather small as ginner's have committed already some new crop quantities and lately are afraid of the green worm implications.

© We are still not aware of the problem's size, however in many fields the yields will decrease even by 40% making it hard for some growers to reach the minimum yield in order to get the coupled subsidy...Some sources believe that the acreage increase this season will be offset by the worm loss. Most probably in the beginning of September we will have a more clear view on field's shape.

© Under these circumstances there are beliefs in our market for the following pessimistic scenario. The new crop production is more likely to be around last season's levels (200,000 tons) while about 60,000 tons has already been sold. The domestic consumption is estimated at 35,000 tons leaving an unsold balance of about 105,000 tons.

Kind regards,

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Yiannis Papadoyiannis



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