



WEEKLY COTTON REPORT

As of 28 March 2008

Not much activity during the week both for international merchants as well as ginner

⊙ Things have been rather silent during this half week (on Monday and Tuesday most offices were closed). Apart from the sales of merchants, especially during the last two weeks, we haven't heard of any other serious volume being sold. Even the used small quantities to Turkey were absent as a result of the big difference between offering prices and bids. From the Egyptian side things are still very quiet confirming the rumors that they will buy very limited quantities this year.

⊙ Quantity wise stocks of lint cotton both for crop 06/07 and 07/08 are in total about 150,000 tons and since there is not much demand it is very possible that many ginner will keep their cotton for the coming season. The domestic consumption is a question for this year, as in the beginning of the season we were calculating about 80,000 tons, while due to the current situation spinning mills have decreased their capacities to total 50 - 60,000 tons!

⊙ As we are approaching the planting period, there is a lot of debate on what will be the cotton acreage the next season. Several cotton seed sources are calculating about 20-25% decrease in acreage mostly in favor of wheat. Thus the seriously cultivated cotton acreage is predicted to reach 260,000 Ha which under favorable weather conditions will result to about 270,000 tons of lint. The good thing is that it seems that cotton growers will try to get good yields and look after their fields.

⊙ Regarding prices today ginner are asking for 76-78 usc/lb FOT for the pre-rain cotton, while the after rain has about 100 pts discount. Lastly, there are several ginner who are interested in on call business basis July without attracting much interest from merchants so far.

⊙ Next week that Hecot will be attending the Bremen cotton meeting we will have the chance to discuss in more detail about the Greek cotton status.

See you all at Bremen!
Yiannis Papadoyiannis



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