



## WEEKLY COTTON REPORT

As of 29 August 2008

### Lack of new sales although eur/usd rate has improved

© On the business front there are not many things to report. Ginners are coming back from their holidays or 'holiday' mood and trying to organize the coming season. Many of them have already sold 'on call' some stocks of 07/08 basis Dec 08 and are not in a hurry to commit some more. In addition, following these sales they have also organized their cash flows for the coming months, consequently they are not in a rush to sale new crop 08/09. Turkish demand exists but the ginner's offering prices do not attract any serious interest.

© Regarding new crop, the news is rather optimistic. Although there is no official announcement of the new crop cotton acreage, the estimates of the whole cotton industry concludes at 250,000 systematically cultivated hectares. Under favorable weather conditions this acreage may result to production of about 250,000 tons of lint. Cotton fields are in very good shape and farmers are expecting good yields. Of course everything will depend on the weather conditions during September. The remaining stocks of 07/08 crop are still considerably high, about 60,000 tons, while the estimate of domestic consumption reaches 50,000 tons.

© Lastly, although the usd is helping ginners their asking levels (159-160 usc/kgs FOT) remain on the high side. Regarding 'on call' sales merchants would be interested in a basis of 300 pts OFF March 08 (depending on quality / shipment / payment terms) while ginners are trying to get something better mostly affected by the strong volatility of the market.

Best regards,  
Yiannis Papadoyiannis



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