



WEEKLY COTTON REPORT

As of 30 November 2007

Pessimistic feeling on the Greek market following several negative factors

⊙ For the last one month ginners have been pessimistic towards this season influenced mostly by the following well known reasons:

- The very weak dollar is escalating their losses on a daily basis. Have in mind that several ginning firms are caring rather large amounts of dollars on their accounts from the previous season.
- Cotton growers are not delivering easily their seed cotton and even if they have, they do not fix the selling price.
- The prices of seed cotton that have been paid so far are not being covered by the recent raw cotton prices. Please note that many ginners calculated their cost based on cotton seed at 300 Eur/ton, which is actually very optimistic figure.
- The first estimates on the altering of crops in Greece, from cotton to wheat or corn, are placing a drop of about 20% on cotton acreage. We remind the official acreage this year was 370,000 ha.

⊙ Apart from this gloomy news, there are not many things to report on our market. Ginners are not satisfied with the levels that either merchants or Turkish spinners are paying. As a result the only ones who appear as active buyers are local spinning mills (1.03 Eur/Kgs FOT) or some Turkish spinners in areas close to Istanbul. In terms of available quantities right now we can calculate as follows:

320,000 tons production
-30,000 tons so far committed
-70,000 tons domestic consumption

220,000 tons left for exports

⊙ As written in previous week's reports, ginners still don't feel pressed to sell since they have not yet paid the growers. It is estimated that during December many farmers will fix their prices of seed cotton and get paid. Therefore, many ginners will calculate accurately their cost, start paying growers and become more aggressive sellers.

Best regards,
Yiannis Papadoyiannis



HELLENIC COTTON EXPROTS: 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.
