

DAILY MARKET REPORT

Friday 23rd July 2010

"ICE" COTTON FUTURES

	Close	Change	High	Low
Dec-10	7471	78	7474	7358
Mar-11	7411	-20	7470	7355
May-11	7484	-20	7522	7459
Jul-11	7579	5	7605	7548
Oct-11	7338	16		
Dec-11	7218	8	7238	7210

Estimated Vol: 21,823; 10/11 A Index: 83.55 (+0.85)

AUSTRALIAN DOLLAR

Todays Spot	8940	Up170
2010	8940	0
2011	8610	-330
2012	8280	-660

AUD COMMENT

The AUD opened almost 2 US ¢ higher, reaping the benefits of positive investor sentiment following statements from the Reserve Bank of Australia and the US Fed Reserve earlier in the week. At 0700 AEST, the AUD was trading at \$US0.8936/40, up from Thur's close. "It's been very strong overnight and interestingly has outperformed everything," Vice-president of institutional banking and markets Tim Kelleher said. "Part of the rise is a little bit of the RBA minutes and Governor Glenn Stevens's speech from Tues." On Wed, US Fed chair Mr Ben Bernanke told a congressional committee the outlook for the US economy was "unusually uncertain". The statement saw investors leave the USD and left US stocks in the red. Mr Bernanke's comments were in contrast to the RBA's, which left no doubt the local central bank sees growth ahead for the Aust. economy. But the RBA's analyses, also hinted that a sharp rise in official inflation numbers due next Wed could cause the bank to lift the cash rate in August to 4.75% in the middle of the federal election campaign.

INDICATIVE PRICES (exclusive of GST)

	2011	2012
ACash 14 Day	\$442	\$423
USc/lb (14 day)	76.14	70.12
Daily Pool	\$445	\$426

FOB basis offerings may not reflect the cash equivalent

31-3-36 / 3.5-4.9 Mic.

227Kg Bales, FOB Ginyard.

COTTON COMMENT

The Dec contract inverted going to a premium over the March owing to tight near term supplies and to concern that merchants will not have sufficient new crop cotton on hand to deliver against short hedges come the notice period. The unnerving element is that the inversion occurred this early in the season. Dec settled near the week's high, up 0.78. The Dec/Mch spread shifted by a hefty 98 points. Oct, a swing month between crops, has been at a premium to Dec for a while. Cert stocks declined to 75,782 bales. Unwanted rainfall in Sth-central China has stirred some concern lifting domestic E-platform markets slightly. Beneficial rainfall was received in India and Pakistan. Rainfall from tropical weather in the Gulf of Mexico could be beneficial for cotton in the Delta and southeast. US Upland cotton exports for the week ended amounted to 380,000RB for the combined seasons, well above prior trade expectations. Weekly shipments of 332,600RB are up 99% from the prior week. China is the destination for 168,700RB. Annualized mil consumption in June was 3.491M (480 lb.) bales, up from June 09, according to the National Cotton Council. The USDA is projecting mill use of 3.40M bales for this season.

Dec -10 COTTON OPTIONS

Calls	Prem	A/Bale	Puts	Prem	A/Bale
72	538	\$30.09	72	269	\$15.04
73	483	\$27.01	73	313	\$17.51
74	431	\$24.11	74	360	\$20.13
75	384	\$21.48	75	412	\$23.04
76	340	\$19.02	76	469	\$26.23
77	301	\$16.83	77	529	\$29.59

Namoi Cotton Commodities

(indicative prices, excl GST, per tonne)

Grade	Brisbane	N'castle	Pt Kembla
2009/2010			
APH2	\$243	\$243	\$243
APW1	\$225	\$225	\$225
AUH2	\$220	\$220	\$220
F1 Barley	\$215	\$210	\$175
SOR	\$205	\$208	
2010/2011			
APW1	\$250	\$248	\$245
F1 Barley	\$210	\$200	\$185
SOR	\$200	\$200	
	WW	G'windi	Warren
Chickpeas 2009/10	\$400	\$400	POA
Chickpeas 2010/11	\$380	\$380	\$380

Please contact your local Namoi Cotton representative for all Ex-Farm pricing

GROWER NEWS

Module/Bale Loans 10.89%. P&D exchange rate for July is 0.8500. Namoi Capital Stock 0.375

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