



Cotlook Cottonquotes

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subscription & transmission enquiries to:

E-Mail: editor@cotlook.com

World Wide Web <http://www.cotlook.com>

US PRICE MECHANISM - 2006/2007 SEASON

- cents per lb -

Week to date (Official Values)

A) Friday/Thursday average of 5 N.Europe Middling 1-3/32" values	61.55	(60.35)
B) Friday/Thursday average of 3 N.Europe SLM 'coarse count' values		(0.00)
C) Friday/Thursday average of cheapest US M.1-3/32" CIFs	66.25	(64.95)

ADJUSTED WORLD PRICE CALCULATION

Deduct from A

Shipping Differential 52 wk avg 11.36

Loan Quality Differential (at average location) between:

Middling 1-3/32"	56.65	
SLM 1-1/16"	52.00	4.65

Location Differential between:-

SLM 1-1/16" Loan (spot market avg)	51.96	
SLM 1-1/16" Loan (at average location)	52.00	-0.04

D) Total Adjustment Factor	15.97	(15.93)
E) ADJUSTED WORLD PRICE (AWP) (A - D)	45.58	(44.42)
F) Coarse Adjustment Factor (must be above zero) (current values A-B-6.55)		N/A
G) Marketing Loan Gain (52.00 base loan minus AWP)	6.42	(7.58)

US PRICE MECHANISM (2) COMPETITIVE ADJUSTMENT PROVISIONS

Step 1: (inoperative if the AWP is above 115 percent of the Basic Loan, or 59.80 cents)

Maximum permissible reduction of AWP (C-A) 4.70

AMERICAN PIMA COMPETITIVENESS PAYMENT

Basic Loan Trigger

P1) Cheapest competing foreign quote C/F Far East (week to date average)	0
P2) P1 adjusted for quality and transportation	0
P3) P2 value must be less than 134% of basic loan (82.45)	0

Payment Calculation

P4) Friday/Thursday US Pima C/F Far Eastern Average	127.00
P5) Average cheapest competing foreign quote C/F Far East (adjusted for quality)	NQ
P6) Theoretical value (P4-P5)	N/A
P7) No. of completed weeks. P4 must exceed P5 for four consecutive weeks.	0
P8) Official current rate payable through Thursday August 10	N/A