



# Cotlook Cottonquotes

US Price Mechanism © Cotlook Limited

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## 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	61.34	(60.35)
B) Friday/Thursday average of 3 N.Europe SLM 'coarse count' values	N/A	( 0.00)
C) Friday/Thursday average of cheapest US M.1-3/32" CIFs	65.88	(64.95)

### ADJUSTED WORLD PRICE CALCULATION

Deduct from A

Shipping Differential 52 wk avg 11.35

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

D) Total Adjustment Factor	15.96	(15.93)
E) <b>ADJUSTED WORLD PRICE (AWP)</b> (A - D)	45.38	(44.42)
F) Coarse Adjustment Factor (must be above zero) (current values A-B-6.55)	N/A	N/A
G) Marketing Loan Gain (52.00 base loan minus AWP)	6.62	(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) 4.54

### 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	126.75
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