

Cotton Domestic Fundamentals:

- Cotton prices remained mixed on Saturday with Abohar end in the green and Muktsar ending in the red, Amravati, Ahmedabad and Kadi ending steady.
- Sources said on Saturday that gave an assurance to a delegation of Gujarat Congress that the Union ministry may increase the export quota to 1.5 million bales.
- Sources added that demand may improve and this may push markets higher in the short term.
- Area under cotton to increase to 5.70 lakh hectares this season, 87,000 hectares more than what it was during the last season.
- Production is expected to increase 20% this season with an output of 21.80 lakh bales.

Cotton International Fundamentals:

- U.S cotton markets sentiments remained weak amid signs that global demand is shrinking.
- USDA data showed about 30,500 bales of cotton sales for delivery before July 31st were scrapped in the week ended May 12th.

Outlook:

- In the short term, cotton prices may remain steady amid lower activity from millers and traders.
- Cotton futures may trade range to weak on higher plantings in the U.S and weak demand.
- In the long term price trend may depend on global planting in U.S and India and demand from China.

NCDEX Cotton Futures

Contract	+/-	Open	High	Low	Close
Feb-12	+1.2	816.9	816.9	804	804
Mar-12	-	-	-	-	-
Apr-12	-2.1	801	815	801	801.5

Contract	Volume	Change	OI	Change
Feb-12	3	-13	37	+1
Mar-12	0	-6	9	-
Apr-12	123	-120	376	-5

Spread	Feb-12	Mar-12	Apr-12
Spot	146	143	148.5
Feb-12	-	3	-2.5
Mar-12		-	-5.5
Apr-12			-

ICE Cotton Futures:

Contract	+/-	Open	High	Low	Close
Jul -11	-0.04	155.00	157.02	150.06	155.61
Oct-11	+1.92	130.54	134.11	130.54	134.11
Dec-11	+0.57	119.10	120.24	117.11	119.76
Mar-12	+0.56	112.00	112.05	110.12	111.77
May-12	+0.67	108.00	108.43	106.30	108.38

Contract	Volume	Change	OI	Change
Jul -11	8,593	-4,852	70,012	+59
Oct-11	9	-11	418	-5
Dec-11	3,713	-1,133	62,274	-296
Mar-12	1,179	+814	9,906	+769
May-12	173	+121	2,461	+28

Cotton Prices at Key Spot Markets:

Commodity	Centre	Prices (Rs/Qtl)		Change
		21-05-2011	20-05-2011	
Cotton				
	Kadi –Bt Cotton	3750-4750	3750-4750	-
	Amravati –Vunni Mech-1	2700-3500	2700-3500	-
	Ahmedabad-Shankar	3000-5000	3000-5000	-
	Abohar – J-34	4650	4500-4550	+100
	Muktsar– J-34	4600	4600-4650	-50

Cotton Arrivals in Key Centers

Commodity	Centre	Arrivals in Bags/Qtl		Change
		21-05-2011	20-05-2011	
Cotton				
	Kadi –Bt Cotton	40	60	-20
	Amravati –Vunni Mech-1	50	100	-50
	Ahmedabad-Shankar	7000	8000	-1000
	Abohar – J-34	Nil	Nil	-
	Muktsar– J-34	Nil	Nil	-

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