

Cotton Domestic Fundamentals:

- Cotton prices remained steady to firm on Wednesday with Amravati, Muktsar, Abohar and Kadi end in the green, Ahmedabad ending steady.
- Markets sentiments remained firm as cotton mills in the country have decided to bring down production by 32%.
- Sources added that demand could improve in the short run as cotton mills have cut production and this may push markets higher in the short term.
- Separately, sources added that the Indian government is likely to allow further shipment of 1.5 million bales in the current season which supports the current uptrend.

Cotton International Fundamentals:

- U.S cotton futures moved higher as adverse weather conditions threatened crops in the U.S. and China.
- This could lead to tightening in global supplies.
- Separately USDA earlier said that about 57% of U.S. cotton crops were planted as of May 22nd 2011, down from 59% a year earlier.

Outlook:

- In the short term, cotton prices may remain steady to firm on firm demand.
- Cotton futures may trade range to firm on drought conditions in the U.S and lower plantings in the U.S.
- In the long term price trend may depend on global production in U.S and India and demand from China.

NCDEX Cotton Futures

Contract	+/-	Open	High	Low	Close
Feb-12	+1.2	847.5	848	829.2	844
Mar-12	-	833	833	833	833
Apr-12	-5.0	840	841	826.1	833.9

Contract	Volume	Change	OI	Change
Feb-12	12	-2	34	+1
Mar-12	0	-4	9	-
Apr-12	137	-132	426	-3

Spread	Feb-12	Mar-12	Apr-12
Spot	106	117	116.1
Feb-12	-	-11	-10.1
Mar-12		-	0.9
Apr-12			-

ICE Cotton Futures:

Contract	+/-	Open	High	Low	Close
Jul -11	+2.15	153.88	159.67	153.65	156.03
Oct-11	+5.42	139.90	144.10	138.92	144.10
Dec-11	+5.59	125.50	131.59	124.25	131.35
Mar-12	+5.43	116.88	122.23	116.09	122.05
May-12	+3.64	112.85	117.70	112.85	116.98

Contract	Volume	Change	OI	Change
Jul -11	3971	-3,358	71118	+160
Oct-11	2	-9	415	+1
Dec-11	1850	-1,086	62,603	+102
Mar-12	128	-441	10,147	+68
May-12	7	-312	2,477	+2

Cotton Prices at Key Spot Markets:

Commodity	Centre	Prices (Rs/Qtl)		Change
		25-05-2011	24-05-2011	
Cotton				
	Kadi –Bt Cotton	4000-4750	4000-4700	+50
	Amravati –Vunni Mech-1	3400-4200	3400-4100	+100
	Ahmedabad-Shankar	3000-5000	3000-5000	-
	Abohar – J-34	4800	4700	+100
	Muktsar– J-34	4850	4780	+70

Cotton Arrivals in Key Centers

Commodity	Centre	Arrivals in Bags/Qtl		Change
		25-05-2011	24-05-2011	
Cotton				
	Kadi –Bt Cotton	33	40	-7
	Amravati –Vunni Mech-1	50	100	-50
	Ahmedabad-Shankar	8000	8000	-
	Abohar – J-34	Nil	Nil	-
	Muktsar– J-34	Nil	Nil	-

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