

Cotton Domestic Fundamentals:

- Cotton prices remained steady to firm on Thursday with Amravati, Ahmedabad, Abohar and Kadi end steady, Muktsar ending in the green.
- Markets sentiments remained firm as cotton mills in the country have decided to bring down production by 32%.
- Yarn cotton markets have also slipped due to higher yarn inventory pile up and limited exports.
- Millers demand will remain weak in the next week or so and this may pull markets lower.
- Separately, sources added that the Indian government is likely to allow further shipment of 1.5 million bales or 15 lakh 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 fall slightly on weak millers 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	-2.6	836	836	836	836
Mar-12	-	-	-	-	-
Apr-12	+0.8	838	841	832.1	834.7

Contract	Volume	Change	OI	Change
Feb-12	1	-11	34	-
Mar-12	0	-	9	-
Apr-12	92	-45	432	+6

Spread	Feb-12	Mar-12	Apr-12
Spot	114	116.1	115.3
Feb-12	-	-2.1	-1.3
Mar-12		-	0
Apr-12			-

ICE Cotton Futures:

Contract	+/-	Open	High	Low	Close
Jul -11					
Oct-11					
Dec-11					
Mar-12					
May-12					

Contract	Volume	Change	OI	Change
Jul -11				
Oct-11				
Dec-11				
Mar-12				
May-12				

This section will be updated the next day

Cotton Prices at Key Spot Markets:

Commodity	Centre	Prices (Rs/Qtl)		Change
		26-05-2011	25-05-2011	
Cotton				
	Kadi –Bt Cotton	3750-4750	4000-4750	-
	Amravati –Vunni Mech-1	3500-4200	3400-4200	-
	Ahmedabad-Shankar	3000-5000	3000-5000	-
	Abohar – J-34	4800	4800	-
	Muktsar– J-34	4870	4850	+20

Cotton Arrivals in Key Centers

Commodity	Centre	Arrivals in Bags/Qtl		Change
		26-05-2011	25-05-2011	
Cotton				
	Kadi –Bt Cotton	30	33	-3
	Amravati –Vunni Mech-1	50	50	-
	Ahmedabad-Shankar	8000	8000	-
	Abohar – J-34	Nil	Nil	-
	Muktsar– J-34	Nil	Nil	-

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