

## 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 fell heavily after importers canceled more sales from the U.S.
- According to USDA a net total of about 32,960 bales of cotton sales for delivery before July 31<sup>st</sup> 2011 were scrapped in the week ended May 19<sup>th</sup> 2011.
- Demand is also weak and this may pull markets lower.

## Outlook:

- In the short term, cotton prices may fall slightly on weak millers demand.
- Cotton futures may fall as demand is expected to remain weak.
- 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	-	833.9	833.9	833.9	833.9
Apr-12	+0.8	838	841	832.1	834.1

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	-5.00	156.03	158.44	150.75	151.03
Oct-11	-4.00	144.00	144.00	140.10	140.10
Dec-11	-3.78	130.00	131.50	127.00	127.57
Mar-12	-3.18	120.55	121.89	118.01	118.87
May-12	-2.46	116.98	116.98	114.00	114.52

Contract	Volume	Change	OI	Change
Jul -11	7,935	+3,964	70,220	-898
Oct-11	8	+6	413	-2
Dec-11	7,768	+5,918	63,838	+1,235
Mar-12	1,982	+1,854	10,551	+404
May-12	948	+941	2,464	-13

**Cotton Prices at Key Spot Markets:**

Commodity	Centre	Prices (Rs/Qtl)		Change
Cotton		26-05-2011	25-05-2011	
	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
Cotton		26-05-2011	25-05-2011	
	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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