

Cotton Domestic Fundamentals:

- Cotton prices remained steady to weak on Friday with Amravati, Ahmedabad, Abohar and Kadi end steady, Muktsar ending in the red.
- Sentiments remained steady to firm as Cotton Advisory Board say that Carry-in stocks for next year is going to be at 27.5 lakh bales.
- Millers demand will remain weak in the next week or so and this may pull markets lower.
- However the Indian government said that Cotton has been sown in 9.5 lakh hectares as compared to 8.11 lakh hectares last year and no incidence of insect, pest and disease has been reported by the States.

Cotton International Fundamentals:

- U.S cotton futures saw a rebound as drought like condition in U.S may cause crop losses.
- However sources added that more imports were canceled from the U.S.
- According to USDA a net total of about 32,960 bales of cotton sales for delivery before July 31st 2011 were scrapped in the week ended May 19th 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	-9.9	830.2	831	826.1	826.1
Mar-12	-5.8	830	859.2	828	828.1
Apr-12	-5.7	838	838	825	828.4

Contract	Volume	Change	OI	Change
Feb-12	4	+3	34	-
Mar-12	10	+10	9	-
Apr-12	96	+4	449	+17

Spread	Feb-12	Mar-12	Apr-12
Spot	123.9	121.9	121.6
Feb-12	-	2	2.3
Mar-12		-	0.3
Apr-12			-

ICE Cotton Futures:

Contract	+/-	Open	High	Low	Close
Jul -11	+1.64	151.05	154.50	151.03	152.67
Oct-11	+1.76	141.70	141.86	141.70	141.86
Dec-11	+1.93	127.50	130.00	127.41	129.50
Mar-12	+1.60	119.00	120.90	119.00	120.47
May-12	+0.65	114.40	115.50	114.31	115.17

Contract	Volume	Change	OI	Change
Jul -11	9,065	+1130	68,982	-1238
Oct-11	52	+44	430	+17
Dec-11	8,571	+803	65,759	+1921
Mar-12	1,389	-593	10,504	-47
May-12	420	-528	2445	-19

Cotton Prices at Key Spot Markets:

Commodity	Centre	Prices (Rs/Qtl)		Change
		27-05-2011	26-05-2011	
Cotton				
	Kadi –Bt Cotton	3750-4750	3750-4750	-
	Amravati –Vunni Mech-1	3500-4200	3500-4200	-
	Ahmedabad-Shankar	-	-	-
	Abohar – J-34	4800	4800	-
	Muktsar– J-34	4850	4870	-20

Cotton Arrivals in Key Centers

Commodity	Centre	Arrivals in Bags/Qtl		Change
		27-05-2011	26-05-2011	
Cotton				
	Kadi –Bt Cotton	30	30	-
	Amravati –Vunni Mech-1	50	50	-
	Ahmedabad-Shankar	-	-	-
	Abohar – J-34	Nil	Nil	-
	Muktsar– J-34	Nil	Nil	-

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