

Cotton Domestic Fundamentals:

- Cotton prices remained weak on Monday with Amravati, Abohar and Muktsar ending in the red, Kadi ended higher.
- However, 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 advanced as bad weather issues during prime planting periods in three key U.S. producing regions may cause damage.
- Markets also moved higher amid imports cancelations 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 rebound on bad weather conditions in U.S may cause damage.
- 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	-32.8	799.1	802.0	790.3	790.4
Mar-12	-24.0	811.3	811.3	811.3	811.3
Apr-12	-21.4	824.0	824.0	792.5	804.1

Contract	Volume	Change	OI	Change
Feb-12	14	13	37	4
Mar-12	1	1	8	-1
Apr-12	323	295	419	-35

Spread	Feb-12	Mar-12	Apr-12
Spot	-40.4	-61.3	-54.1
Feb-12	-	20.9	13.7
Mar-12	-	-	-7.2
Apr-12	-	-	-

ICE Cotton Futures: 30th May 2011

Contract	+/-	Open	High	Low	Close
Jul-11	4.24	153.45	157.35	153.40	156.91
Dec-11	2.50	130.00	132.40	130.00	132.00
Mar-12	2.25	121.67	122.72	121.67	122.72
May-12	2.03	115.95	117.20	115.90	117.20
Jul-12	0.21	112.00	112.80	112.00	112.80

27th May 2011

Contract	Volume	Change	OI	Change
Jul -11	9,065	1,130	68,982	-1,238
Oct-11	8,571	803	65,759	1,921
Dec-11	1,389	-593	10,504	-47
Mar-12	420	-528	2,445	-19
May-12	890	-415	4,429	455

Cotton Prices at Key Spot Markets:

Centre	Prices (Rs/Qtl)		Change
	30-05-11	28-05-11	
Kadi –Bt Cotton	3000-3750	3250-3625	+125
Amravati –Vunni Mech-1	3200-3900	3400-4000	-100
Abohar – J-34	4700	4725	-25
Muktsar– J-34	4750	4800	-50
Ahmedabad-Shankar	-	-	-

Cotton Arrivals in Key Centers

Centre	Arrivals in Bags/Qtl		Change
	30-05-11	28-05-11	
Kadi –Bt Cotton	100	85	+15
Amravati –Vunni Mech-1	100	50	+50
Ahmedabad-Shankar	-	-	-
Abohar – J-34	Nil	Nil	-
Muktsar– J-34	Nil	Nil	-

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