

Cotton Domestic Fundamentals:

- Cotton prices remained weak on Tuesday with all markets ending in the red.
- Informal Group of Ministers are likely to meet on June 2 to take a decision on the issue of increasing the limit of cotton exports from the current 5.5 million bales for the current season.
- 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 ruled higher on mounting concern that adverse weather will slash output in the U.S.
- Markets also moved higher on speculation over China's drought.

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	4.1	795	807.8	795	801
Mar-12	-8.5	787	802.8	783	802.8
Apr-12	9.1	795	805	782	801.6

Contract	Volume	Change	OI	Change
Feb-12	5	-9	36	-1
Mar-12	8	7	8	-
Apr-12	282	-41	437	18

Spread	Feb-12	Mar-12	Apr-12
Spot	-76	-77.8	-76.6
Feb-12	-	1.8	0.6
Mar-12	-	-	-1.2
Apr-12	-	-	-

ICE Cotton Futures:

Contract	+/-	Open	High	Low	Close
Jul-11	6.00	153.45	158.67	153.40	158.67
Dec-11	6.00	130.00	135.50	130.00	135.50
Mar-12	5.40	121.67	126.00	121.67	125.87
May-12	4.04	115.95	119.21	115.90	119.21
Jul-12	2.16	112.00	114.75	112.00	114.75

Contract	Volume	Change	OI	Change
Jul -11	10,109	1,044	66,328	-2,654
Oct-11	7,210	-1,361	67,106	1,347
Dec-11	568	-821	10,593	89
Mar-12	200	-220	2,524	79
May-12	421	-469	4,585	156

Cotton Prices at Key Spot Markets:

Centre	Prices (Rs/Qtl)		Change
	31-05-11	30-05-11	
Kadi –Bt Cotton	3125-3625	3000-3750	-125
Amravati –Vunni Mech-1	3100-3700	3200-3900	-200
Abohar – J-34	4650	4700	-50
Muktsar– J-34	4700	4750	-50
Ahmedabad-Shankar	-	-	-

Cotton Arrivals in Key Centers

Centre	Arrivals in Bags/Qtl		Change
	31-05-11	30-05-11	
Kadi –Bt Cotton	50-60	100	-40
Amravati –Vunni Mech-1	100	100	-
Ahmedabad-Shankar	-	-	-
Abohar – J-34	Nil	Nil	-
Muktsar– J-34	Nil	Nil	-

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.