

Cotton Domestic Fundamentals:

- Cotton prices remained mixed on Wednesday with Kadi and Abohar ending in the red, Amravati and Muktsar ending the green.
- 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.
- The Confederation of Indian Textile Industry (CITI) added that the export of 55 lakh bales earlier has created an artificial cotton shortage in India.
- Cotton mills across the country continued to slash yarn production due to shortage of raw cotton in the country.
- 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 range to weak millers demand and higher plantings this season.
- 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	2.0	800.1	810	799.2	803
Mar-12	2.2	803	805	802.1	805
Apr-12	-1.7	797	802.9	791	799.9

Contract	Volume	Change	OI	Change
Feb-12	8	3	37	1
Mar-12	3	-5	7	-1
Apr-12	107	-175	461	24

Spread	Feb-12	Mar-12	Apr-12
Spot	-103	-105	-99.9
Feb-12	-	2	-3.1
Mar-12	-	-	-5.1
Apr-12	-	-	-

ICE Cotton Futures:

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

Centre	Prices (Rs/Qtl)		Change
	01-06-11	31-05-11	
Kadi –Bt Cotton	3125-2500	3125-3625	-125
Amravati –Vunni Mech-1	3100-3900	3100-3700	+200
Abohar – J-34	4700	4750	-50
Muktsar– J-34	4755	4700	+50
Ahmedabad-Shankar		-	

Cotton Arrivals in Key Centers

Centre	Arrivals in Bags/Qtl		Change
	01-06-11	31-05-11	
Kadi –Bt Cotton	25-30	50-60	-30
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.