

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 remained firm higher on concerns that severe drought conditions in the U.S and China will slash output.
- Markets also moved higher after USDA said that approximately 73% of U.S. cotton crops were planted as of May 29th 2011, down from 77% a year earlier.

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	-2.3	797	802.9	791	799.3

Contract	Volume	Change	OI	Change
Feb-12	8	3	38	2
Mar-12	3	-5	7	-1
Apr-12	107	-175	462	25

Spread	Feb-12	Mar-12	Apr-12
Spot	-103	-105	-99.3
Feb-12	-	2	-3.7
Mar-12	-	-	-5.7
Apr-12	-	-	-

ICE Cotton Futures:

Contract	+/-	Open	High	Low	Close
Jul-11	2.30	161.39	163.00	158.50	160.97
Dec-11	1.77	135.90	138.48	131.94	137.27
Mar-12	1.36	126.05	128.00	123.21	127.23
May-12	0.57	119.95	120.50	117.00	119.78
Jul-12	1.35	115.00	117.00	111.93	116.10

Contract	Volume	Change	OI	Change
Jul -11	5,332	-4,777	66,328	1,376
Oct-11	3,410	-3,800	67,106	-698
Dec-11	366	-202	10,593	-159
Mar-12	39	-161	2,524	5
May-12	262	-159	4,585	-220

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	-

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