

Cotton Domestic Fundamentals:

- Cotton prices remained mixed on Thursday with Kadi ending in the green, Abohar and Muktsar ending the green and Amravati remaining steady.
- 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.
- Trade sources added that if export cap is not raised then India could see surplus of stocks this year.
- 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 trade weak on higher acreage anticipations this year.
- 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	-12.9	789	792	786	789
Mar-12	-17.4	786	786	786	786
Apr-12	-11.8	799.6	799.8	780	787.5

Contract	Volume	Change	OI	Change
Feb-12	6	-2	37	-1
Mar-12	1	-2	7	-
Apr-12	303	196	505	43

Spread	Feb-12	Mar-12	Apr-12
Spot	-64	-61	-62.5
Feb-12	-	-3	-1.5
Mar-12		-	1.5
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
	02-06-11	01-06-11	
Kadi – Bt Cotton	3000-3625	3125-3500	+125
Amravati – Vunni Mech-1	3100-3900	3100-3900	-
Abohar – J-34	4650	4700	-50
Muktsar – J-34	4750	4755	-5
Ahmedabad - Shankar	-	-	-

Cotton Arrivals in Key Centers

Centre	Arrivals in Bags/Qtl		Change
	02-06-11	01-06-11	
Kadi –Bt Cotton	25-30	25-30	-
Amravati –Vunni Mech-1	150	100	+50
Ahmedabad-Shankar	-	-	-
Abohar – J-34	Nil	Nil	-
Muktsar– J-34	Nil	Nil	-

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