

Cotton Domestic Fundamentals:

- Cotton prices remained mixed on Friday with Kadi ending in the green, Abohar, Muktsar and Amravati ending in the red.
- Sentiments remained weak after Area under cotton in Haryana and Punjab has risen this year.
- According to trade reports approximately 550,000 hectares area has been covered under the cotton crop till date this year as against 492,000 hectares last year.
- Correspondingly acreage this year in Punjab has reached 570,000 hectares as against 520,000 hectares targeted.
- Official added that area increased this year due to higher returns for farmers compared to other crops like paddy.

Cotton International Fundamentals:

- U.S cotton futures ended lower as ICAC said in their report that cotton stocks could see a rebound in 2011-12 as world cotton production is expected to rise in 2011-12.
- Acreage is forecast to improve by 8% to 36.3 million hectares in 2011/12. This in turn will lead to higher global production at 27.3 million tons, higher by 9% compared to last year figure at 25.1 million tons.

Outlook:

- In the short term, cotton prices may trade weak on higher acreage anticipations this year.
- Cotton futures may trade weaker after ICAC report that carry-out stock may be higher.
- 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	2.5	793	793	791	791.5
Mar-12	-	786	786	786	786
Apr-12	4.7	791.9	798.5	790	795.7

Contract	Volume	Change	OI	Change
Feb-12	6	-	38	1
Mar-12	0	-1	6	-
Apr-12	146	-157	495	-10

Spread	Feb-12	Mar-12	Apr-12
Spot	-31.5	-26	-35.7
Feb-12	-	-5.5	4.2
Mar-12		-	9.7
Apr-12			-

ICE Cotton Futures:

Contract	+/-	Open	High	Low	Close
Jul-11	-2.61	165.23	168.49	160.66	161.63
Dec-11	-0.53	139.19	140.90	137.25	138.70
Mar-12	-0.52	129.03	131.07	127.60	128.99
May-12	-0.68	120.30	122.24	118.97	120.24
Jul-12	-1.52	115.00	116.00	113.50	113.67

Contract	Volume	Change	OI	Change
Jul-11	12,817	6363	63,431	-1595
Oct-11	10,852	3814	72,357	4263
Dec-11	1,307	-359	11,059	61
Mar-12	611	57	2,766	155
May-12	416	-227	5,470	230

Cotton Prices at Key Spot Markets:

Centre	Prices (Rs/Qtl)		Change
	03-06-11	02-06-11	
Kadi – Bt Cotton	3200-3800	3000-3625	+175
Amravati – Vunni Mech-1	3250-3625	3100-3900	-275
Abohar – J-34	4600	4650	-50
Muktsar – J-34	4650	4750	-50
Ahmedabad - Shankar	-	-	-

Cotton Arrivals in Key Centers

Centre	Arrivals in Bags/Qtl		Change
	03-06-11	02-06-11	
Kadi –Bt Cotton	100	25-30	+70
Amravati –Vunni Mech-1	25-30	150	-120
Ahmedabad-Shankar	-	-	-
Abohar – J-34	Nil	Nil	-
Muktsar– J-34	Nil	Nil	-

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