

## Cotton Domestic Fundamentals:

- Cotton prices remained mixed on Saturday with Kadi remaining steady, Abohar and Muktsar ending in the green, Amravati ending in the red.
- Sentiments remained weak after acreage is expected to increase 5-10% in 2011-12 from 11.16 million hectares in 2010-11.
- Acreage in 3 major producing states Punjab, Rajasthan and Haryana has increased by 200,000 hectares to 1.50-1.55 million hectares as on date, up from 1.35 million hectares in the previous year.
- Official added that area increased this year due to higher returns for farmers compared to other crops like paddy in Punjab and Haryana guar in Rajasthan.

## Cotton International Fundamentals:

- 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	-6.3	795	795	785	785.2
Mar-12	-	-	-	-	-
Apr-12	-9.7	795	795	783.6	786

Contract	Volume	Change	OI	Change
Feb-12	4	-2	37	-1
Mar-12	-	-	6	-
Apr-12	98	-48	510	14

Spread	Feb-12	Mar-12	Apr-12
Spot	-60.2	-61	-61
Feb-12	-	0.8	0.8
Mar-12	-	-	0
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				

ICE is closed on Saturday.

**Cotton Prices at Key Spot Markets:**

Centre	Prices (Rs/Qtl)		Change
	04-06-11	03-06-11	
Kadi – Bt Cotton	3250-3625	3250-3625	-
Amravati – Vunni Mech-1	2700-3500	3250-3625	-125
Abohar – J-34	4625	4600	+25
Muktsar – J-34	4700	4650	+50
Ahmedabad - Shankar	-	-	-

**Cotton Arrivals in Key Centers**

Centre	Arrivals in Bags/Qtl		Change
	04-06-11	03-06-11	
Kadi –Bt Cotton	25-30	25-30	-
Amravati –Vunni Mech-1	25	25-30	-5
Ahmedabad-Shankar	-	-	-
Abohar – J-34	Nil	Nil	-
Muktsar– J-34	Nil	Nil	-

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