

Cotton Domestic Fundamentals:

- Cotton prices remained mixed on Thursday with Kadi ending higher, Abohar ending in the red and Amravati and Muktsar ending steady.
- Sentiments may remain weak as cotton acreage in India may improve as India may get early monsoons, supporting crop sowing.
- The Government has taken a decision to allow exports of an additional 10 lakh bales of cotton during the current season ending September.
- Initially, the government had restricted the export cap to 55 lakh bales for 2010-11 which now total to 65 lakh bales.
- This may push the prices up in the short term.

Cotton International Fundamentals:

- U.S cotton futures surged higher after USDA cuts in its 2011/12 cotton production estimate.
- USDA said that the drought conditions in the U.S reduced the outlook for 2011-12 U.S. cotton output to 17 million (480-lb) bales from the 18 million bales forecast last month.

Outlook:

- **In the short term, domestic cotton prices may trade firm due to higher exports.**
- **U.S Cotton futures may trade higher on lower U.S crop.**
- **In the long term price trend may depend on global production and demand from China and India.**

NCDEX Cotton Futures

Contract	+/-	Open	High	Low	Close
Feb-12	3.4	789	797	781	781
Mar-12	7.5	786.7	786.7	780.9	780.9
Apr-12	5.8	782	796	778	781.3

Contract	Volume	Change	OI	Change
Feb-12	10	-10	48	-1
Mar-12	7	7	11	5
Apr-12	386	-77	683	40

Spread	Feb-12	Mar-12	Apr-12
Spot	-31	-30.9	-31.3
Feb-12	-	-0.1	0.3
Mar-12		-	0.4
Apr-12			-

ICE Cotton Futures:

Contract	+/-	Open	High	Low	Close
Jul-11	6.00	146.05	151.05	145.36	151.05
Dec-11	2.84	130.61	134.55	130.25	132.99
Mar-12	2.50	124.00	126.42	123.27	125.72
May-12	1.73	116.00	118.10	116.00	117.86
Jul-12	2.32	111.01	114.25	111.01	111.99

Contract	Volume	Change	OI	Change
Jul -11	14,363	1,742	52,982	-1,969
Oct-11	10,081	-1,122	82,206	1,295
Dec-11	1,037	50	11,856	163
Mar-12	126	-225	3,143	-28
May-12	109	-92	5,797	-15

Cotton Prices at Key Spot Markets:

Centre	Prices (Rs/Qtl)		Change
	09-06-11	08-06-11	
Kadi – Bt Cotton	3250-3750	2750-3625	+125
Amravati – Vunni Mech-1	2500-3200	2500-3400	-200
Abohar – J-34	4550-4600	4700	-100
Muktsar – J-34	4600	4600	-
Ahmedabad - Shankar	-	-	-

Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	09-06-11	08-06-11	
Kadi –Bt Cotton	15-20	15-20	-
Amravati –Vunni Mech-1	100	100	-
Ahmedabad-Shankar	-	-	-
Abohar – J-34	Nil	Nil	-
Muktsar– J-34	Nil	Nil	-

Kadi-1 Truck-20 kgs

Amravati-1 Truck-100 kgs

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