

Cotton Domestic Fundamentals:

- Cotton prices remained steady to weak on Saturday.
- Sentiments may remain weak as cotton has been sown in 20.14 lakh hectare as compared to 14.41 lakh hectare last year.
- This represents a massive increase over the last year's acreage.
- The Government has taken a decision to allow exports of an additional 10 lakh bales of cotton during the current season ending September.
- However sources say that the decision has come too late as increase now would create a shortage of stocks for the domestic industry, may support prices in the domestic market.

Cotton International Fundamentals:

- U.S cotton futures trade steady to firm as USDA cuts its 2011-12 cotton production estimate for U.S.
- USDA said that the drought conditions in the South West part of the country reduced the outlook for 2011-12 U.S. cotton output to 17 million (480-lb) bales from the 18 million bales forecast last month.
- Demand from importing nations is likely to stay firm even at higher level.

Outlook:

- Domestic cotton prices may trade firm due to higher exports cap in for short term.
- In the long term domestic prices may fall on higher acreage estimates for 2011-12.
- 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	-3.5	780	796.5	779	782.0
Mar-12	-0.3	780.2	780.6	780.6	780.6
Apr-12	-1.90	780.2	786	777	781

Contract	Volume	Change	OI	Change
Feb-12	4	-6	49	1
Mar-12	3	-4	14	3
Apr-12	152	-234	702	19

Spread	Feb-12	Mar-12	Apr-12
Spot	-35.5	-30.6	-32.9
Feb-12	-	-4.9	-2.6
Mar-12		-	2.3
Apr-12			-

ICE Cotton Futures: Market remained closed on Saturday.

Contract	+/-	Open	High	Low	Close
Jul-11					
Dec-11					
Mar-12					
May-12					
Jul-12					

Contract	Volume	Change	OI	Change
Jul -11	16,850	2,487	49,408	-3,574
Oct-11	14,904	4,823	86,174	3,968
Dec-11	2,109	1,072	12,092	236
Mar-12	178	52	3,176	33
May-12	187	78	5,794	-3

Cotton Prices at Key Spot Markets:

Centre	Prices (Rs/Qtl)		Change
	10-06-11	11-06-11	
Kadi – Bt Cotton	2750-3750	2875-3500	-250
Amravati – Vunni Mech-1	2500-3400	2500-3300	-100
Abohar – J-34	4550-4600	4550-4600	-
Muktsar – J-34	4600	4500-4550	-50
Ahmedabad - Shankar	-	-	-

Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	10-06-11	11-06-11	
Kadi –Bt Cotton	20-30	25-30	unch
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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