

Cotton Domestic Fundamentals:

- Cotton prices remained mixed on Tuesday with Kadi and Amravati remained steady and Abohar and Muktsar ended lower.
- Sentiments may remain weak as cotton acreage has increased by 40% over the last year's acreage.
- Millers added that spinning mills are selling cotton yarn at a discount due to weak demand.
- Millers also felt that yarn export should be increased from its current cap of 845 million kg.
- However ginneries feel that export cap can be increased by a further 1.5 million bales as consumption will slow down due to the export cap increase from 55 lakh bales to 65 lakh bales.

Cotton International Fundamentals:

- U.S futures remained firm as USDA reduces the 2011-12 cotton production estimates for United States due to the drought conditions in the Texas, the largest growing area in the U.S.
- The revised estimates for 2011-12 U.S. cotton output is 17 million (480-lb) bales from the 18 million bales forecast last month.
- China is also facing drought conditions and about 7 million hectares has been affected and this may keep the global prices higher.

Outlook:

- **In the short term, domestic cotton prices may trade weak due to higher acreage estimates and week millers demand.**
- **U.S Cotton futures may trade higher on lower U.S and Chinese crop expectations.**
- **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	-15.8	755.1	755.1	736.4	743.2
Mar-12	-5.8	751	785	740	758
Apr-12	-19.4	759.1	759.1	734	740.5

Contract	Volume	Change	OI	Change
Feb-12	24	16	50	3
Mar-12	31	6	17	-14
Apr-12	648	303	835	49

Spread	Feb-12	Mar-12	Apr-12
Spot	-18.2	-33	-15.5
Feb-12	-	14.8	-2.7
Mar-12	-	-	-17.5
Apr-12	-	-	-

ICE Cotton Futures:

Contract	+/-	Open	High	Low	Close
Jul-11	4.59	150.70	155.85	149.32	155.54
Dec-11	0.20	131.45	132.08	128.52	131.78
Mar-12	0.20	123.80	125.28	121.96	125.11
May-12	0.20	115.51	117.12	114.00	117.11
Jul-12	0.28	110.50	111.97	109.03	111.97

Contract	Volume	Change	OI	Change
Jul -11	22,392	11,678	36,316	-11,166
Oct-11	13,599	2,934	90,688	1,943
Dec-11	1,400	118	13,209	764
Mar-12	175	-348	3,391	86
May-12	24	-482	5,987	-6

Cotton Prices at Key Spot Markets:

Centre	Prices (Rs/Qtl)		Change
	14-06-11	13-06-11	
Kadi – Bt Cotton	2875-3625	3125-3625	-
Amravati – Vunni Mech-1	2700-3300	2700-3300	-
Abohar – J-34	4425-4480	4450-4500	-20
Muktsar – J-34	4480-4500	4525	-25
Ahmedabad - Shankar	-	-	-

Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	14-06-11	13-06-11	
Kadi –Bt Cotton	40	15	+35
Amravati –Vunni Mech-1	50	50	-
Ahmedabad-Shankar	-	-	-
Abohar – J-34	Nil	Nil	-
Muktsar– J-34	Nil	Nil	-

Kadi-1 Truck-20 kgs

Amravati-1 Truck-100 kgs

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.