

Cotton Domestic Fundamentals:

- Cotton prices remained steady to weak on Wednesday with Kadi remained steady and Abohar and Muktsar ended lower.
- There was no trade in Amravati due to heavy rainfall in the area.
- Sentiments may remain weak as cotton acreage in Gujarat is expected to increase by around 80,000 hectares this year.
- The cotton acreage last year was 26.33 lakh hectares and this year the acreage is expected to cross 27 lakh hectares.

Cotton International Fundamentals:

- U.S futures fell amid lower US crop for 2011-12 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.
- Meanwhile, china cotton imports are likely to be 2.8 million metric tons lower compared to the previous estimate of 3 million metric tons.

Outlook:

- In the short term, domestic cotton prices may trade weak due to higher acreage estimates and weak 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	-11.9	741.0	743.0	731.3	731.3
Mar-12	-25.5	735.3	735.3	732.5	732.5
Apr-12	-0.70	741.0	744.0	731.4	739.8

Contract	Volume	Change	OI	Change
Feb-12	11	-13	47	-3
Mar-12	3	-28	18	1
Apr-12	478	-170	819	-16

Spread	Feb-12	Mar-12	Apr-12
Spot	-6.3	-7.5	-14.8
Feb-12	-	1.2	8.5
Mar-12		-	7.3
Apr-12			-

ICE Cotton Futures:

Contract	+/-	Open	High	Low	Close
Jul-11	-3.58	155.50	158.00	150.29	151.96
Dec-11	-5.98	130.89	132.24	125.78	125.80
Mar-12	-5.51	123.47	125.02	119.11	119.60
May-12	-4.42	115.47	117.02	111.90	112.69
Jul-12	-5.22	109.87	112.20	106.00	106.75

Contract	Volume	Change	OI	Change
Jul -11	13,639	-8,753	31,057	-5,259
Oct-11	11,689	-1,910	92,556	1,868
Dec-11	1,069	-331	13,726	517
Mar-12	264	89	3,589	198
May-12	40	16	5,995	8

Cotton Prices at Key Spot Markets:

Centre	Prices (Rs/Qtl)		Change
	15-06-11	14-06-11	
Kadi – Bt Cotton	2875-3625	2875-3625	Unch
Amravati – Vunni Mech-1	No Trade	2700-3300	Unch
Abohar – J-34	4403-4453	4425-4480	-27
Muktsar – J-34	4473	4480-4500	-27

Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	15-06-11	14-06-11	
Kadi –Bt Cotton	80	40	+40
Amravati –Vunni Mech-1	No Trade	50	No Trade

Kadi-1 Truck-20 kgs

Amravati-1 Truck-100 kgs

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