

## Cotton Domestic Fundamentals:

- Cotton prices ended weak on Friday at all centers due to weak demand in physical market.
- Sentiments also remained weak due to lack of buying interest from Yarn manufacturers because of the existing carry forward stock and poor demand from the garment manufacturer.
- 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 July futures ended weak due to weak Chinese demand coupled with firm U.S dollar and reduced appeal of exports from the U.S.
- However, the rest of the deliveries remained firm as the supplies may remain weak.
- China Cotton Association added that farmers planted 5.4 million hectares of cotton in China in the 2011 marketing season, up 5.2% from a year earlier.
- Production in Pakistan is forecast to reach record cotton production of nearly 15 million bales in the 2011-12 crop year, after farmers completed sowing on an area of over 8 million acres.

## Outlook:

- **In the short term, domestic cotton prices may trade weak due to higher acreage estimates and weak yarn manufacturers demand.**
- **U.S Cotton futures may trade higher on lower Chinese demand.**

### NCDEX Cotton Futures

Contract	+/-	Open	High	Low	Close
Feb-12	<b>-21.2</b>	705.2	705.2	682.2	695.0
Mar-12	<b>-15.0</b>	696.1	705.5	684.0	696.8
Apr-12	<b>-31.9</b>	700.0	708.0	681.9	683.7

Contract	Volume	Change	OI	Change
Feb-12	25	<b>6</b>	52	<b>3</b>
Mar-12	17	<b>-3</b>	13	<b>-4</b>
Apr-12	1246	<b>751</b>	1063	<b>153</b>

Spread	Feb-12	Mar-12	Apr-12
Spot	-75	-76.8	-63.7
Feb-12	-	-1.8	11.3
Mar-12		-	13.1
Apr-12			-

### ICE Cotton Futures:

Contract	+/-	Open	High	Low	Close
Jul-11	<b>-0.78</b>	145.96	148.32	144.10	145.18
Dec-11	<b>3.59</b>	120.60	124.62	117.87	123.77
Mar-12	<b>3.17</b>	115.00	118.00	112.61	117.71
May-12	<b>3.89</b>	109.94	112.51	108.00	112.51
Jul-12	<b>3.37</b>	106.38	108.50	103.75	108.27

Contract	Volume	Change	OI	Change
Jul -11	8,469	<b>-628</b>	26,694	<b>-2,507</b>
Oct-11	13,197	<b>3,987</b>	96,248	<b>849</b>
Dec-11	1,985	<b>1,465</b>	14,317	<b>306</b>
Mar-12	478	<b>355</b>	3,640	<b>14</b>
May-12	864	<b>769</b>	5,846	<b>-157</b>

**Cotton Prices at Key Spot Markets:**

Centre	Prices (Rs/Qtl)		Change
	17-06-11	16-06-11	
Kadi – Bt Cotton	2750-3100	3000-3375	<b>-275</b>
Amravati – Vunni Mech-1	2500-3100	No Trade	<b>-200</b>
Abohar – J-34	4200	4403	<b>-203</b>
Muktsar – J-34	4250	4428	<b>-178</b>

**Cotton Arrivals in Key Centers**

Centre	Arrivals		Change
	17-06-11	16-06-11	
Kadi –Bt Cotton	25	50	<b>-25</b>
Amravati –Vunni Mech-1	25	No Trade	<b>-25</b>

Kadi-1 Truck-20 kgs

Amravati-1 Truck-100 kgs

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