

Cotton Domestic Fundamentals:

- Cotton prices remained steady to firm on Wednesday at major trading centers.
- Prices moved higher as Directorate-General of Foreign Trade (DGFT) have opened registration for allowing export of additional 10 lakh bales.
- However area under cotton has increased by 40.4% compared to last year's area.
- Cotton has been sown in 21.65 lakh hectare as compared to 15.42 lakh hectare last year.
- Sentiments were weak as India's cotton yarn exports declined 33 per cent in the first two months of the current financial year, due to low demand.
- The shipment is estimated at 100-110 million kg, as against 150-160 million kg in the corresponding period last year.

Cotton International Fundamentals:

- U.S sentiments remained weak as demand from China will be weak.
- According to USDA acreage and production will be lower this year due to after drought in Texas and floods in areas along the Mississippi River damaged crops or delayed plantings.

Outlook: Domestic and International

- In the short term, domestic cotton prices move higher on better export demand in the markets.
- In the long run, prices may trade weak due to higher acreage estimates and weak yarn exports.
- U.S Cotton futures may trade lower on lower Chinese demand.
- In the long run, prices may trade higher due to lower U.S crop anticipations.

NCDEX Cotton Futures

Contract	+/-	Open	High	Low	Close
Feb-12	25.1	664.5	670.9	664.5	670.2
Mar-12	20.9	668.0	680.2	663.1	674.9
Apr-12	5.9	675.0	683.0	662.0	670.3

Contract	Volume	Change	OI	Change
Feb-12	53	-304	78	-3
Mar-12	34	-5	27	-4
Apr-12	1921	-600	2524	-285

Spread	Feb-12	Mar-12	Apr-12
Spot	79.8	75.1	79.7
Feb-12	-	-4.7	-0.1
Mar-12		-	4.6
Apr-12			-

ICE Cotton Futures:

Contract	+/-	Open	High	Low	Close
Jul-11	6.49	156.20	161.58	156.20	161.22
Dec-11	-2.55	124.00	125.45	119.22	121.45
Mar-12	-2.76	117.14	118.04	112.31	114.12
May-12	-2.18	112.00	112.00	107.70	108.75
Jul-12	-1.74	106.14	108.09	103.41	104.91

Contract	Volume	Change	OI	Change
Jul -11	4,516	-2,926	20,623	-2,943
Dec-11	9,055	-3,042	1,01,353	2,211
Mar-12	724	-432	14,969	16
May-12	142	59	3,608	33
Jul-12	112	-35	5,608	1

Cotton Prices at Key Spot Markets:

Centre	Prices (Rs/Qtl)		Change
	22-06-11	21-06-11	
Kadi – Bt Cotton	3125-3750	3125-3500	250
Amravati – Vunni Mech-1	2900-3700	NA	-
Ahmedabad – Shankar-6	3000-4125	3000-4125	Unch
Abohar – J-34	3750-3800	3750	50
Muktsar – J-34	3800	3800	Unch

Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	22-06-11	21-06-11	
Kadi –Bt Cotton	44	15	29
Amravati –Vunni Mech-1	100	NA	-
Ahmedabad – Shankar-6	3000	3000	Unch

Kadi-1 Truck-20 kgs

Amravati-1 Truck-100 kgs

Ahmedabad- in bags

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