

Cotton Domestic Fundamentals:

- Cotton prices ended weak at most trading centers on Friday as demand remained weak at highs.
- Sentiments remained weak as acreage of cotton has increased to 35.17 lakh hectares compared to last week's acreage estimate at 26.22 lakh hectares.
- However IMD has reported delayed rainfall in the Gujarat, Maharashtra and Rajasthan and delayed monsoons are expected to impact the sowing of cotton in the states.

Cotton International Fundamentals:

- U.S futures continued to remain weak as National Agricultural Statistics Service (NASS); Agricultural Statistics Board said that area planted to cotton in 2011 is estimated at 13.7 million acres, up 25 percent from last year.
- However the report has taken into consideration of farmers abandoning crops in Texas due to drought conditions.
- USDA reported that about 55% of the Texas cotton fields were in poor condition.

Outlook: Domestic and International

- In the short term, domestic cotton prices move lower on higher acreage estimates as on July 01st 2011.
- U.S Cotton futures may trade lower on higher acreage estimates in U.S.

NCDEX Cotton Futures

Contract	+/-	Open	High	Low	Close
Feb-12	-1.9	668.5	680.7	668.5	680.7
Mar-12	2.0	-	676.0	676.0	676.0
Apr-12	-0.7	677.0	685.5	677.0	681.4

Contract	Volume	Change	OI	Change
Feb-12	3	-8	70	1
Mar-12	-	-10	18	-
Apr-12	905	-68	3235	196

Spread	Feb-12	Mar-12	Apr-12
Basis	-0.7	4.0	-1.4
Feb-12	-	4.7	-0.7
Mar-12	-	-	-5.4
Apr-12	-	-	-

ICE Cotton Futures:

Contract	+/-	Open	High	Low	Close
Jul-11	1.62	160.20	161.50	160.00	161.41
Dec-11	-0.78	119.77	119.89	116.51	117.81
Mar-12	-0.21	110.14	110.34	107.65	109.41
May-12	-0.89	106.60	107.25	104.89	106.18
Jul-12	-0.51	104.15	104.15	101.54	103.53

Contract	Volume	Change	OI	Change
Jul-11	51	-25	1,729	-100
Dec-11	8,159	1469	1,03,100	346
Mar-12	11,610	10866	17,711	788
May-12	381	-378	4,483	236
Jul-12	126	-819	6,469	7

Cotton Prices at Key Spot Markets:

Centre	Prices (Rs/Qtl)		Change
	01-07-11	30-06-11	
Kadi – Bt Cotton	3200-3400	3250-3625	-225
Amravati – Vunni Mech-1	NA	NA	NA
Ahmedabad – Shankar-6	NA	NA	NA
Abohar – J-34	3725-3730	3800-3850	-120
Muktsar – J-34	3700-3800	3850	-50

Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	01-07-11	30-06-11	
Kadi –Bt Cotton	50	50	Unch
Amravati –Vunni Mech-1	NA	NA	NA
Ahmedabad – Shankar-6	NA	NA	NA

Kadi-1 Truck-20 kgs

Amravati-1 Truck-100 kgs

Ahmedabad- in bags

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