

**Cotton Domestic Fundamentals:**

- Cotton prices moved higher at most trading centers on Friday as supply declined in the markets.
- Sentiments remained firm as weather condition is unfavourable for sowing in Maharashtra, Gujarat and Andhra Pradesh.
- 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.

**Weather Update**

- Fairly widespread rain would occur over Punjab and Haryana. Scattered rain/thundershowers would occur over East Rajasthan. Fairly widespread rain would occur over Orissa.
- Fairly widespread rain/thundershowers would occur over Coastal Karnataka.
- Fairly widespread rain/thundershowers would occur over Gujarat region.
- Scattered rain/thundershowers would occur over Madhya Maharashtra, Marathwada and Saurashtra& Kutch.

**Cotton International Fundamentals:**

- U.S futures remained 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 01<sup>st</sup> 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	-0.7	680.0	683.5	679.9	680.0
Mar-12	5.0	681.0	681.0	681.0	681.0
Apr-12	0.6	681.0	688.6	677.0	682.0

Contract	Volume	Change	OI	Change
Feb-12	13	10	64	-6
Mar-12	1	1	18	-
Apr-12	785	-120	3259	24

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	-	-	-

**MCX Cotton Futures**

Contract	+/-	Open	High	Low	Close
Mar-12	-4.0	687.0	690.0	687.0	689.0
Apr-12	3.0	680.1	690.3	680.1	687.4

Contract	Volume	Change	OI	Change
Mar-12	18	7	70	4
Apr-12	70	30	235	-6

Spread	Mar-12	Apr-12
Basis	36.0	37.6
Mar-12	-	-1.6
Apr-12	-	-

**ICE Cotton Futures: 01<sup>st</sup> July 2011**

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
	02-07-11	01-07-11	
Kadi – Bt Cotton	3250-3625	3200-3400	225
Amravati – Vunni Mech-1	NA	NA	NA
Ahmedabad – Shankar-6	NA	NA	NA
Abohar – J-34	3850	3725-3730	80
Muktsar – J-34	3850	3700-3800	50

**Cotton Arrivals in Key Centers**

Centre	Arrivals		Change
	02-07-11	01-07-11	
Kadi –Bt Cotton	15	50	-35
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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