

Cotton Domestic Fundamentals:

- Cotton prices remained mixed with Kadi remained unchanged and Abohar and Muktsar continued to move lower.
- Cotton exports have increased to an additional quantity of 170,000 tons of cotton for export allowed in the current marketing year.
- Meanwhile, DGFT have shortlisted 227 applicants for an additional one million bales (170,000 million tonnes) of cotton.
- However weak demand millers will continue to persist and may pull markets lower in the long term.

Weather Update

- Widespread thundershowers would occur over the Gujarat region, East Rajasthan, Punjab and Haryana in the next 48 hours. Scattered rains would occur over West Rajasthan.
- Widespread thundershowers would occur over West M.P, Central Maharashtra and Saurashtra & Kutch during next 48 hours.
- Isolated to heavy rainfall would occur over coastal Karnataka and west Madhya Pradesh over the next 48 hours.

Cotton International Fundamentals:

- U.S futures end higher on buying by small investors. Meanwhile, USDA will release its weekly crop report on Monday.
- Sentiments remained firm after weekly USDA export sales report hit 430,500 running bales (RBs, 500-lbs each) compared to 39,400 RBs in last week's report.
- Traders also have one eye on the crop condition in Texas and speculate to how much of the US cotton crop would be harvested in the fall.

Outlook: Domestic and International

- In the short term, domestic cotton prices move higher on lower acreage expected in India.
- Prices trend in the medium to long term will depend on sowing estimates in India.
- U.S markets may trade higher on lower acreage estimates in U.S.

NCDEX Cotton Futures

Contract	+/-	Open	High	Low	Close
Feb-12	2.7	657.1	664.5	657.0	662.1
Mar-12	0.5	658.1	666.5	658.1	666.5
Apr-12	3.4	658.0	666.0	655.0	663.8

Contract	Volume	Change	OI	Change
Feb-12	9	-20	73	4
Mar-12	8	8	12	2
Apr-12	744	-593	3546	34

Spread	Feb-12	Mar-12	Apr-12
Basis	87.9	83.5	86.2
Feb-12	-	4.4	1.7
Mar-12	-	-	-2.7
Apr-12	-	-	-

NB: Spread was done by taking Spot prices at Kadi markets for Bt cotton.

MCX Cotton Futures

Contract	+/-	Open	High	Low	Close
Mar-12	3.7	667.0	674.0	667.0	670.0
Apr-12	3.3	664.5	670.5	661.0	668.8

Contract	Volume	Change	OI	Change
Mar-12	11	-8	94	-
Apr-12	63	-45	329	18

Spread	Mar-12	Apr-12
Basis	80.0	81.2
Mar-12	-	-1.2
Apr-12	-	-

NB: Spread was done by taking Spot prices at Kadi markets for Bt cotton.

ICE Cotton Futures:

Contract	+/-	Open	High	Low	Close
Dec-11	0.36	113.55	116.00	113.13	113.88
Mar-12	0.55	108.00	110.37	107.55	108.44
May-12	0.56	106.22	107.12	104.81	105.38
Jul-12	0.67	102.88	103.88	102.88	103.11

Contract	Volume	Change	OI	Change
Dec-11	9,348	-2,748	1,02,699	-788
Mar-12	891	-2,483	19,900	412
May-12	131	-116	4,581	4
Jul-12	112	-109	6,345	-23

Cotton Prices at Key Spot Markets:

Centre	Prices (Rs/Qtl)		Change
	08-07-11	07-07-11	
Kadi – Bt Cotton	3500-3750	3500-3750	Unch
Amravati – Vunni Mech-1	3500-4000	NA	NA
Ahmedabad – Shankar-6	3250-4125	NA	NA
Abohar – J-34	3650-3680	3680-3700	-20
Muktsar – J-34	3650-3680	3700	-20

Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	08-07-11	07-07-11	
Kadi –Bt Cotton	12	12	Unch
Amravati –Vunni Mech-1	NA	NA	NA
Ahmedabad – Shankar-6	1500	NA	NA

Kadi-1 Truck-20 kgs

Amravati-1 Truck-100 kgs

Ahmedabad- in bags

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