

Cotton Domestic Fundamentals:

- Cotton prices traded weak with Kadi and Abohar witnessing major weakness while price at Amravati and Ahmadabad markets remain steady. Rest of the fundamentals remains same.
- 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 down the markets further 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:

- ICE cotton futures make a run higher, but rally unraveled on little buying interest, with another consecutive week of poor US cotton sales data for the current crop, a sign of weak demand. Cotton for December delivery settles at \$1.1388/lb, up 0.3% on the day. The market continues in a strict sideways range, but could see a boost from Tuesday's USDA supply -and-demand report.
- USDA estimates that all cotton planted area for 2011 is 13.7 million acres, 25 percent above last year. Upland acreage is estimated at 13.4 million acres, up 25 percent from 2010. American Pima acreage is estimated at 289,000 acres, up 42 percent from 2010.

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	-5	667	667	657.1	657.1
Mar-12	9.1	675.6	675.6	675.6	675.6
Apr-12	2.3	663.1	669.4	661.1	666.1

Contract	Volume	Change	OI	Change
Feb-12	5	-4	75	2
Mar-12	2	-6	10	-2
Apr-12	634	-110	3558	12

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	6	670.6	678.2	670.6	676
Apr-12	3.5	669.5	675.9	668	672.3

Contract	Volume	Change	OI	Change
Mar-12	11	0	93	-1
Apr-12	68	5	357	28

Spread	Mar-12	Apr-12
Spot	49.0	52.7
Mar-12	-	-3.7
Apr-12	3.7	-

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	113.13	113.88
Mar-12	+0.55	108	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

Cotton Prices at Key Spot Markets:

Centre	Prices (Rs/Qtl)		Change
	09-07-11	08-07-11	
Kadi – Bt Cotton	3375-3625	3500-3750	-125
Amravati – Vunni Mech-1	3500-4000	3500-4000	-
Ahmedabad – Shankar-6	3500-4125	3250-4125	-
Abohar – J-34	3600-3650	3650-3680	-30
Muktsar – J-34	3600-3650	3650-3680	

Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	09-07-11	08-07-11	
Kadi –Bt Cotton	25	12	+13
Amravati –Vunni Mech-1	NA	NA	-
Ahmedabad – Shankar-6	1000	1500	-500

Kadi-1 Truck-20 kgs

Amravati-1 Truck-100 kgs

Ahmedabad- in bags

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