

Cotton Domestic Fundamentals:

- Cotton prices fell at major centers as recent rains may boost cotton output in Gujarat and Maharashtra and A.P.
- However, the current year sowing progress is still down for cotton at 44.62 lakh hectares compared to 66.09 lakh hectares in same period last year.
- Prices fell as weak demand millers will continue to persist in the domestic and international markets.

Weather Update

- According to IMD, isolated heavy rainfall would occur over coastal Karnataka, Telengana and north coastal Andhra Pradesh during the next 48 hours.
- Fairly widespread thundershowers would occur over Gujarat region, West Madhya Pradesh and Central Maharashtra.
- Scattered thundershowers would occur over Punjab, Haryana and West Rajasthan during the next 48 hours.

Cotton International Fundamentals:

- U.S futures continued to fall on dollar strength may reduce exports of the fiber.
- The market sentiments remained weak due to ongoing concerns over a slowdown in demand from China.
- Sentiments also remained weak due to better production estimates in Pakistan.
- However, bad weather conditions still remained a concern in the U.S with little rain in the forecast for major growing areas this week.

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 rainfall progress in Gujarat, Maharashtra and A.P.**
- **U.S markets may trade lower on weaker demand, however sentiments may remain firm in the long run on lower acreage estimates in U.S.**

NCDEX Cotton Futures

Contract	+/-	Open	High	Low	Close
Feb-12	-13.5	645.2	650.1	644.5	647.1
Mar-12	-9.7	648.0	648.0	640.4	647.5
Apr-12	-5.9	650.0	652.0	642.0	647.6

Contract	Volume	Change	OI	Change
Feb-12	33	7	85	2
Mar-12	3	1	11	1
Apr-12	942	-220	3935	209

Spread	Feb-12	Mar-12	Apr-12
Basis	52.9	52.5	52.4
Feb-12	-	0.4	0.5
Mar-12	-	-	0.1
Apr-12	-	-	-

MCX Cotton Futures

Contract	+/-	Open	High	Low	Close
Mar-12	-8.3	652.2	660.0	652.2	658.4
Apr-12	-7.5	652.0	658.8	650.0	653.2

Contract	Volume	Change	OI	Change
Mar-12	16	6	92	-5
Apr-12	71	-28	412	21

Spread	Mar-12	Apr-12
Basis	41.6	46.8
Mar-12	-	-5.2
Apr-12	-	-

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

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ICE Cotton Futures:

Contract	+/-	Open	High	Low	Close
Dec-11	-4.49	105.67	106.79	103.88	104.39
Mar-12	-3.56	101.00	101.69	98.44	99.88
May-12	-2.78	100.03	100.03	96.95	97.60

Contract	Volume	Change	OI	Change
Dec-11	7,805	-2,266	1,02,823	-760
Mar-12	1,302	-148	20,827	439
May-12	120	-189	4,535	-28

Cotton Prices at Key Spot Markets:

Centre	Prices (Rs/Qtl)		Change
	12-07-11	11-07-11	
Kadi – Bt Cotton	3150-3500	3425-3650	-150
Amravati – Vunni Mech-1	NA	NA	NA
Ahmedabad – Shankar-6	3250-3850	3500-4000	-250
Abohar – J-34	3500-3525	3600-3625	-100
Muktsar – J-34	3500	3600-3625	-125

Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	12-07-11	11-07-11	
Kadi –Bt Cotton	17	12	5
Amravati –Vunni Mech-1	NA	NA	NA
Ahmedabad – Shankar-6	500	500	Unch

Kadi-1 Truck-20 kgs

Amravati-1 Truck-100 kgs

Ahmedabad- in bags

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