

Cotton Domestic Fundamentals:

- Cotton sentiments remained range bound to weak at major centers on Wednesday as rains brightens crop prospects.
- According to state officials over 10 lakh hectares has been covered in Gujarat and the target is 27 lakh hectares. Same is the case in Maharashtra where farmers have planted in 14.51 lakh hectares out the target is 35 lakh hectares.
- Meanwhile, SIMA appeals Tamil Nadu CM to exempt cotton textiles from VAT as the cotton textile industry has been facing a grave crisis for the last four months due to abnormal drop in cotton and yarn prices, sudden glut in the domestic and international market, huge accumulation of yarn stock, closure of dyeing units.

Weather Update

According to IMD, isolated to very heavy rainfall would occur over coastal Karnataka, Telegana, coastal A.P, West M.P, north interior Karnataka, Marathwada and Central Maharashtra during the next 48 hours.

Cotton International Fundamentals:

- U.S futures moved higher on Wednesday on concern U.S. output to drop.
- Cotton moved higher on concerns that production will drop more than forecast in the U.S.
- However, the market sentiments remained weak due to ongoing concerns over a slowdown in demand from China.

Outlook: Domestic and International

- In the short term, domestic cotton prices move lower on improvement of rainfall in sowing areas.
- U.S markets may trade lower on weaker demand, however sentiments may remain firm in the long run on lower production estimates in U.S.

NCDEX Cotton Futures

Contract	+/-	Open	High	Low	Close
Feb-12	6.9	655.0	656.1	646.7	654.0
Mar-12	-	-	645.3	645.3	645.3
Apr-12	4.1	648.0	655.0	645.2	651.7

Contract	Volume	Change	OI	Change
Feb-12	16	-17	95	10
Mar-12	-	-3	11	-
Apr-12	731	-211	3910	-25

Spread	Feb-12	Mar-12	Apr-12
Basis	16.0	24.7	18.3
Feb-12	-	-8.7	-2.3
Mar-12	-	-	6.4
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	1.3	655.0	664.0	651.9	659.7
Apr-12	5.7	658.9	661.9	654.0	658.9

Contract	Volume	Change	OI	Change
Mar-12	7	-9	94	9
Apr-12	56	-15	416	4

Spread	Mar-12	Apr-12
Basis	10.3	11.1
Mar-12	-	-0.8
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	4.07	104.75	108.85	104.44	108.46
Mar-12	3.75	100.56	103.75	100.49	103.63
May-12	3.65	99.32	102.00	98.40	101.25

Contract	Volume	Change	OI	Change
Dec-11	5,828	-1,977	1,00,622	-2,201
Mar-12	1,840	538	21,271	444
May-12	696	576	4,795	260

Cotton Prices at Key Spot Markets:

Centre	Prices (Rs/Qtl)		Change
	13-07-11	12-07-11	
Kadi – Bt Cotton	3250-3350	3150-3500	-150
Amravati – Vunni Mech-1	3500-4100	NA	NA
Ahmedabad – Shankar-6	3400-4000	3250-3850	150
Abohar – J-34	3375-3400	3500-3525	-125
Muktsar – J-34	3375-3400	3500	-100

Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	13-07-11	12-07-11	
Kadi –Bt Cotton	12	17	-5
Amravati –Vunni Mech-1	NA	NA	NA
Ahmedabad – Shankar-6	1000	500	500

Kadi-1 Truck-20 kgs

Amravati-1 Truck-100 kgs

Ahmedabad- in bags

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