

Cotton Domestic Fundamentals:

- Cotton sentiments remained mixed on Saturday as buying activity remains weak and dull demand.
- Separately, Union Minister for Commerce & Industry and Textiles has recommended to the government a duty draw back on cotton yarn exports.
- The Textiles Ministry will also recommend for restoration of tax refunds on cotton yarn exports as prices have fallen significantly in the last 6 months.
- According to the state officials in Rajasthan cotton acreage in Rajasthan has reached 5.061 lakh hectares till 12th July 2011 compared to 2.24 lakh during the same period last year.

Weather Update

According to IMD, widespread rainfall would occur over East Rajasthan, Punjab and Haryana in the next 48 hours and decrease thereafter. Subdued rainfall would occur over Rayalaseema and Tamil Nadu. Isolated to heavy rainfall would occur over coastal Karnataka, M.P and Orissa during next 48 hours. Scattered rains over Saurashtra & Kutch region. However dry weather conditions would persists in Maharashtra.

Cotton International Fundamentals:

- U.S futures end weak on another week of export sales cancellations.
- Sentiments remained weak as there has been little or no export demand reported by USDA in recent weeks.
- However, concerns persists that production will drop more than forecast in the U.S.

Outlook: Domestic and International

- **In the short term, domestic cotton prices move higher on lower carry-out stocks for the current season.**
- **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	4.2	662.9	662.9	656.2	657.2
Mar-12	5.3	660.0	660.0	660.0	660.0
Apr-12	1.3	653.0	659.7	652.0	656.0

Contract	Volume	Change	OI	Change
Feb-12	4	-	90	1
Mar-12	1	-	11	-
Apr-12	553	-678	4120	-12

Spread	Feb-12	Mar-12	Apr-12
Basis	67.8	65.0	69.0
Feb-12	-	2.8	-1.2
Mar-12		-	-4.0
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	4.3	672.0	672.0	664.9	668.8
Apr-12	3.6	660.0	666.5	660.0	665.0

Contract	Volume	Change	OI	Change
Mar-12	22	5	100	1
Apr-12	45	-39	422	-7

Spread	Mar-12	Apr-12
Basis	56.2	60.0
Mar-12	-	-3.8
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					
Mar-12					
May-12					

Contract	Volume	Change	OI	Change
Dec-11				
Mar-12				
May-12				

This section will be updated the next day.

Cotton Prices at Key Spot Markets:

Centre	Prices (Rs/Qtl)		Change
	16-07-11	15-07-11	
Kadi – Bt Cotton	3000-3625	3375-3625	Unch
Amravati – Vunni Mech-1	2500-3000	2500-2800	200
Ahmedabad – Shankar-6	3250-3750	3250-3750	Unch
Abohar – J-34	3300-3325	3350	-25
Muktsar – J-34	3300-3325	3350	-25

Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	16-07-11	15-07-11	
Kadi –Bt Cotton	12	4	8
Amravati –Vunni Mech-1	Nil	Nil	Unch
Ahmedabad – Shankar-6	2000	2000	Unch

Kadi-1 Truck-20 kgs

Amravati-1 Truck-100 kgs

Ahmedabad- in bags

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