

Cotton Domestic Fundamentals:

- Cotton sentiments remained steady to firm on Monday as buying activity remains dull.
- Meanwhile, Textile traders in Andhra Pradesh have called for a total Bandh of textile trade on July 20th against the government continuing the imposition of 4 per cent VAT on textiles.
- According to the state officials in Rajasthan cotton acreage in Rajasthan has reached 5.074 lakh hectares till 14th July 2011 compared to 2.26 lakh during the same period last year.

Weather Update

- According to IMD, widespread rainfall would occur over east Rajasthan, Gujarat, interior Maharashtra and interior Karnataka during next 48 hours.
- Scattered rainfall would occur over west Rajasthan, and isolated over Rayalaseema and Tamil Nadu.

Cotton International Fundamentals:

- U.S sentiments remained weak on 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	5.8	663.0	675.7	662.9	665.3
Mar-12	4.7	673.2	673.2	651.0	664.7
Apr-12	6.0	655.0	673.8	654.0	663.0

Contract	Volume	Change	OI	Change
Feb-12	28	24	91	2
Mar-12	4	3	11	-
Apr-12	1296	743	4084	-34

Spread	Feb-12	Mar-12	Apr-12
Basis	59.7	60.3	62.0
Feb-12	-	-0.6	-2.3
Mar-12		-	-1.7
Apr-12			-

MCX Cotton Futures

Contract	+/-	Open	High	Low	Close
Mar-12	7.4	679.9	685.0	676.0	676.0
Apr-12	8.7	664.0	680.0	664.0	673.7

Contract	Volume	Change	OI	Change
Mar-12	9	-13	99	-1
Apr-12	137	92	437	15

Spread	Mar-12	Apr-12
Basis	49.0	51.3
Mar-12	-	-2.3
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	-2.62	96.94	100.73	94.46	96.84
Mar-12	-1.42	95.75	99.24	91.25	94.83
May-12	-1.88	96.10	98.50	90.89	94.01

Contract	Volume	Change	OI	Change
Dec-11	7,359	-5,675	99,203	-1,234
Mar-12	3,138	1,328	21,017	-450
May-12	585	364	4,834	46

This section will be updated the next day.

Cotton Prices at Key Spot Markets:

Centre	Prices (Rs/Qtl)		Change
	18-07-11	16-07-11	
Kadi – Bt Cotton	3125-3625	3000-3625	Unch
Amravati – Vunni Mech-1	2500-3100	2500-3000	100
Ahmedabad – Shankar-6	3250-3750	3250-3750	Unch
Abohar – J-34	3350	3300-3325	25
Muktsar – J-34	3350	3300-3325	25

Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	18-07-11	16-07-11	
Kadi –Bt Cotton	12	12	Unch
Amravati –Vunni Mech-1	100	Nil	100
Ahmedabad – Shankar-6	2000	2000	Unch

Kadi-1 Truck-20 kgs

Amravati-1 Truck-100 kgs

Ahmedabad- in bags

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