

Cotton Domestic Fundamentals:

- Cotton sentiments remained mixed on Tuesday as current year sowing progress in down by 43% at 58.89 lakh hectares as on 15th July 2011 compared to 84.43 lakh hectares during the corresponding period last year.
- However, according to the officials cotton carry-out stocks were only 17 lakh bales against earlier estimates of 55 lakh bales.
- Meanwhile, cotton spinning mills have suffered losses substantially in the last two months, owing to fall in prices of raw material by 40%.
- Sentiments remained weak due to escalating yarn supplies signaled slowing global demand for textiles.

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 futures move higher due to bad weather conditions in Texas.
- Sentiments remained firm due to adverse weather damaged global crops and economic growth lifted buying from Chinese textile mills
- 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.**
- **However the medium and long term trend would depend on the acreage estimates.**
- **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	0.7	664.0	670.0	664.0	668.5
Mar-12	2.4	663.2	665.6	663.2	665.6
Apr-12	3.9	664.5	670.0	661.0	668.4

Contract	Volume	Change	OI	Change
Feb-12	22	-6	90	-
Mar-12	2	-2	11	-
Apr-12	1143	-153	4200	114

Spread	Feb-12	Mar-12	Apr-12
Basis	156.5	159.4	156.6
Feb-12	-	-2.9	-0.1
Mar-12	-	-	2.8
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	0.4	681.9	684.9	676.6	680.6
Apr-12	2.3	671.0	677.5	669.1	675.3

Contract	Volume	Change	OI	Change
Mar-12	14	5	103	4
Apr-12	68	-69	436	-1

Spread	Mar-12	Apr-12
Basis	144.4	149.7
Mar-12	-	-5.3
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	4.00	97.10	100.84	97.00	100.84
Mar-12	4.00	95.10	98.83	95.10	98.83
May-12	4.00	95.00	98.01	95.00	98.01

Contract	Volume	Change	OI	Change
Dec-11	15,944	8,585	96,770	-2,433
Mar-12	9,520	6,382	21,131	114
May-12	1,155	570	5,163	329

Cotton Prices at Key Spot Markets:

Centre	Prices (Rs/Qtl)		Change
	19-07-11	18-07-11	
Kadi – Bt Cotton	3875-4125	3125-3625	500
Amravati – Vunni Mech-1	2500-3000	2500-3100	-100
Ahmedabad – Shankar-6	3250-3750	3250-3750	Unch
Abohar – J-34	3325-3350	3350	Unch
Muktsar – J-34	3325-3350	3350	Unch

Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	19-07-11	18-07-11	
Kadi –Bt Cotton	12	12	Unch
Amravati –Vunni Mech-1	100	100	Unch
Ahmedabad – Shankar-6	2000	2000	Unch

Kadi-1 Truck-20 kgs

Amravati-1 Truck-100 kgs

Ahmedabad- in bags

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