

Cotton Domestic Fundamentals:

- Cotton sentiments remained mixed on Wednesday as Textiles Ministry favoured the move to permit more cotton exports beyond the current cap of 65 lakh bales.
- Sentiments also remained firm as current year sowing progress in down at 58.89 lakh hectares 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.
- However trade sources revealed that delayed rains have helped the farmers in Gujarat in the last few days and may help to achieves government target of 27 lakh hectares of the State.

Weather Update

According to IMD, isolated rainfall would occur over sowing region in the west and the northern states of India.

Cotton International Fundamentals:

- U.S futures were down due to ongoing concerns over a slowdown in demand for U.S. supplies.
- Sentiments remained weak due after USDA said that cotton for export at U.S. ports in the week ended July 7th fell by a net 91,200 bales due to cancellations.
- Sentiments remained weak as cotton imports by China fell 27% in May 2011 from a year earlier.

Outlook: Domestic and International

- **In the short term, domestic cotton prices move higher on lower carry-out stocks and lower acreage estimates for the current season.**
- **U.S markets may trade lower on weaker demand and weaker exports from the U.S.**

NCDEX Cotton Futures

Contract	+/-	Open	High	Low	Close
Feb-12	-2.4	664.9	670.3	657.1	666.0
Mar-12	1.6	664.0	666.0	661.6	666.0
Apr-12	-6.0	670.0	670.0	655.0	662.0

Contract	Volume	Change	OI	Change
Feb-12	31	9	98	9
Mar-12	3	1	11	-
Apr-12	1506	363	4432	232

Spread	Feb-12	Mar-12	Apr-12
Basis	156.6	160.6	157.0
Feb-12	-	-4.0	-0.4
Mar-12		-	3.6
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	-0.2	675.0	681.0	672.0	681.0
Apr-12	-5.6	675.5	675.5	664.0	671.0

Contract	Volume	Change	OI	Change
Mar-12	20	6	112	9
Apr-12	102	34	460	24

Spread	Mar-12	Apr-12
Basis	143.8	148.4
Mar-12	-	-4.6
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	-0.09	101.75	102.13	97.82	100.75
Mar-12	-0.41	99.74	100.12	96.00	98.42
May-12	-0.85	98.00	99.14	95.70	97.16

Contract	Volume	Change	OI	Change
Dec-11	17,254	1,310	96,446	-324
Mar-12	5,656	-3,864	22,595	1,464
May-12	1,307	152	5,413	250

Cotton Prices at Key Spot Markets:

Centre	Prices (Rs/Qtl)		Change
	20-07-11	19-07-11	
Kadi – Bt Cotton	3500-4000	3875-4125	-125
Amravati – Vunni Mech-1	2800-3300	2500-3000	300
Ahmedabad – Shankar-6	3250-3750	3250-3750	Unch
Abohar – J-34	3280-3300	3325-3350	-50
Muktsar – J-34	3300	3325-3350	-50

Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	20-07-11	19-07-11	
Kadi –Bt Cotton	12	12	Unch
Amravati –Vunni Mech-1	250	100	150
Ahmedabad – Shankar-6	2000	2000	Unch

Kadi-1 Truck-20 kgs

Amravati-1 Truck-100 kgs

Ahmedabad- in bags

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