

Cotton Domestic Fundamentals:

- Cotton sentiments remained weak on Thursday as surplus stocks of yarn continue to pull markets lower.
- Sentiments also remained weak as ban on exports could further increase stocks in the domestic markets.
- However current year sowing progress is down at 58.89 lakh hectares compared to 84.43 lakh hectares during the corresponding period last year.
- Government official said that this year acreage has increased in the north-western states.

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 sentiments remained ended weak as cotton imports from China remained weak. China's customs data showed today that cotton imports slid 17 percent to 119,997 metric tons in June from May.
- Sentiments also remained weak as global cotton demand is lower by 1.7 percent than estimated in June at 23.864 million metric tons.

Outlook: Domestic and International

- **In the short term, domestic cotton prices move lower due to surplus of stocks in the domestic markets. However the medium to long term trend would depend on acreage estimates for the current season.**
- **U.S markets may trade weak on lower crop imports from China and lower global demand. However the medium to long term trend would depend on production estimates for the current season in the U.S.**

NCDEX Cotton Futures

Contract	+/-	Open	High	Low	Close
Feb-12	-7.8	665.0	667.0	656.0	656.0
Mar-12	-0.9	664.0	664.0	663.0	663.0
Apr-12	-8.6	660.0	667.0	651.0	654.5

Contract	Volume	Change	OI	Change
Feb-12	12	-19	104	5
Mar-12	2	-1	11	-
Apr-12	1625	119	4710	272

Spread	Feb-12	Mar-12	Apr-12
Basis	86.2	86.1	86.9
Feb-12	-	0.1	-0.7
Mar-12	-	-	-0.8
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	-14.9	671.1	680.0	661.9	665.0
Apr-12	-8.2	670.1	674.8	660.0	663.5

Contract	Volume	Change	OI	Change
Mar-12	45	25	124	12
Apr-12	91	-11	486	26

Spread	Mar-12	Apr-12
Basis	70.1	78.3
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	-2.12	100.75	101.5	96.75	98.63
Mar-12	-1.78	98.21	98.32	94.7	96.64
May-12	-0.57	96.5	96.81	94.78	96.59

Contract	Volume	Change	OI	Change
Dec-11	6,856	-10,398	96,003	-443
Mar-12	1,814	-3,842	23,064	469
May-12	655	-652	5,550	137

This section will be updated the next day.

Cotton Prices at Key Spot Markets:

Centre	Prices (Rs/Qtl)		Change
	21-07-11	20-07-11	
Kadi – Bt Cotton	3500-3750	3500-4000	-250
Amravati – Vunni Mech-1	3100-3600	2800-3300	300
Ahmedabad – Shankar-6	3000-3625	3250-3750	-125
Abohar – J-34	3270-3270	3280-3300	-30
Muktsar – J-34	3270-3280	3300	-20

Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	21-07-11	20-07-11	
Kadi –Bt Cotton	15	12	3
Amravati –Vunni Mech-1	250	250	Unch
Ahmedabad – Shankar-6	2000	2000	Unch

Kadi-1 Truck-20 kgs

Amravati-1 Truck-100 kgs

Ahmedabad- in bags

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.