

Cotton Domestic Fundamentals:

- Cotton price traded weak in the spot market on Saturday.
- High Court has asked the Directorate-General of Foreign Trade (DGFT) to consider the applications of cotton ginners from Maharashtra.
- Ginners who applied before 25 June, will be allocated at least 100 tonnes and the remaining quantity after allocation, will be divided among them on a pro-rata basis with a ceiling of 4,250 tonnes per IEC. Allocations have to be made by July 27. Ginners, who had applied earlier for export quantity of less than 100 metric tonnes, will be considered for 100 metric tonnes.
- 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 also added that cotton production has increased from 24.23 million bales in 2009-10 to 33.43 million bales in 2010-11.

Weather Update

- According to IMD, Monsoon is likely to remain active over Gujarat and Rajasthan during next 2 days, subsequently monsoon may enter into weak phase with reduced rainfall activity over northwest and adjoining central India.
- There was a large improvement in the rainfall scenario over the country. The cumulative seasonal rainfall for the country as a whole from 1-20 July has been 12% below the LPA against the deficiency of 24% for the period from 1-13 July.

Cotton International Fundamentals:

- U.S sentiments remained 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	0		661.8	661.8	661.8
Mar-12	5.8	666	666	666	666
Apr-12	-0.7	660.2	664	655.1	659.5

Contract	Volume	Change	OI	Change
Feb-12	-	-	-	-
Mar-12		-	-	-
Apr-12	-	-	-	-

Spread	Feb-12	Mar-12	Apr-12
Spot	63.2	59.0	65.5
Feb-12	-	4.2	-2.3
Mar-12	-4.2	-	-6.5
Apr-12	2.3	6.5	-

ICE Cotton Futures:

Contract	+/-	Open	High	Low	Close
Dec-11	+0.01	98.63	100.18	96.65	96.65
Mar-12	+0.19	96.63	98.17	95.00	95.00
May-12	-0.56	96.60	97.00	94.70	94.70

This section will be updated the next day.

Cotton Prices at Key Spot Markets:

Centre	Prices (Rs/Qtl)		Change
	23-07-11	22-07-11	
Kadi – Bt Cotton	3375-3625	3500-3750	-125
Amravati – Vunni Mech-1	2800-3500	NA	-
Ahmedabad – Shankar-6	3000-3500	3250-3625	-125
Abohar – J-34	3300	3320	-20
Muktsar – J-34	3300	3320	-20

Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	23-07-11	22-07-11	
Kadi –Bt Cotton	-	-	-
Amravati –Vunni Mech-1	-	NA	-
Ahmedabad – Shankar-6	2000	2000	unch

Kadi-1 Truck-20 kgs
Amravati-1 Truck-100 kgs
Ahmedabad- in bags

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