

Cotton Domestic Fundamentals:

- Cotton traded steady on Monday amidst good monsoon in the first half of July has considerably increased area under cotton in the main producing state Gujarat.
- Cotton has been sown in 20.21 lakh hectares of area till July 18th 2011 as compared to 21.64 lakh hectares during the corresponding period last year.
- Meanwhile area in Haryana has overtaken the target set for cotton at 6.00 lakh hectares by 0.05 lakh hectares to 6.05 lakh hectares. Higher pricing prompted farmers to sow more this year.
- However CITI said that cotton yarn stocks have now come down to around 350 million kgs compared to 500 million kgs 2 months ago.

Weather Update

- According to IMD, widespread rainfall would occur over Gujarat and south Rajasthan over the next 24 hours.
- Isolated over Central India and scattered over south peninsular India during next 24 hours.

Cotton International Fundamentals:

- U.S futures ended lower on signs that supplies are increasing in India and weak global demand.
- Cotton for December delivery fell 1.88 cents, or 1.9%, to settle at 96.76 cents a pound on ICE Futures U.S. in New York.
- Weak global demand outlook from Cotlook by 1.7% from earlier forecast also pulled markets lower.

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 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	8.2	656.3	674.0	656.6	670.0
Mar-12	1.0	667.5	667.5	667.0	667.0
Apr-12	6.8	661.0	669.0	657.1	666.3

Contract	Volume	Change	OI	Change
Feb-12	15	15	104	-1
Mar-12	2	1	11	-1
Apr-12	1096	445	4378	-150

Spread	Feb-12	Mar-12	Apr-12
Basis	55.0	58.0	58.7
Feb-12	-	-3.0	-3.7
Mar-12	-	-	-0.7
Apr-12	-	-	-

MCX Cotton Futures

Contract	+/-	Open	High	Low	Close
Mar-12	7.3	668.0	677.7	668.0	675.0
Apr-12	6.5	671.9	676.0	668.1	675.0

Contract	Volume	Change	OI	Change
Mar-12	12	-2	117	-3
Apr-12	80	46	476	-20

Spread	Mar-12	Apr-12
Basis	50.0	50.0
Mar-12	-	-
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
Oct-11	-2.05	98.91	98.96	95.21	97.09
Dec-11	-1.88	98.00	98.99	95.13	96.76
Mar-12	-1.60	96.91	97.10	93.53	95.23
May-12	-1.30	95.93	95.98	93.58	94.73

Contract	Volume	Change	OI	Change
Oct-11	49	-8	533	-4
Dec-11	7,648	-3725	97,284	361
Mar-12	2,266	-361	22,341	-198
May-12	394	216	5,454	-48

Cotton Prices at Key Spot Markets:

Centre	Prices (Rs/Qtl)		Change
	25-07-11	23-07-11	
Kadi – Bt Cotton	3000-3625	3375-3625	Unch
Amravati – Vunni Mech-1	2800-3500	2800-3500	Unch
Ahmedabad – Shankar-6	3000-3500	3000-3500	Unch
Abohar – J-34	3280-3300	3300	Unch
Muktsar – J-34	3300	3300	Unch

Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	25-07-11	23-07-11	
Kadi –Bt Cotton	25	12	13
Amravati –Vunni Mech-1	Nil	Nil	-
Ahmedabad – Shankar-6	2000	2000	Unch

Kadi-1 Truck-20 kgs

Amravati-1 Truck-100 kgs

Ahmedabad- in bags

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