

Cotton Domestic Fundamentals:

- Cotton prices moved higher supported by firm domestic demand.
- Sentiments continued to remain firm as government had restored incentives on export of cotton and cotton yarn.
- However seeing higher prices stockist's offloaded stocks into the markets and domestic cotton arrivals in Indian spot markets till 26th July 2011 during the season 2010-11 edged up by 8.62% on year.
- Arrivals in Gujarat were up 3.02% on year at 10.04 million bales. While in Maharashtra, arrivals were up 24.62% at 7.85 million bales.

Weather Update

- According to IMD, widespread rainfall would occur over the north-eastern states in the next 48 hours.
- Isolated rainfall would occur over southern peninsula over the next 48 hours which may help sowing.

Cotton International Fundamentals:

- U.S futures sentiments fell on speculative selling tied to long liquidation after the rally this week.
- However, traders also remain concerned about demand, and there has been little export demand reported by USDA in recent weeks.
- Bad weather in the US is still around, with little rain in the forecast for major growing areas this week. A tropical storm could bring very unwelcome and damaging rains to southern Texas growing areas in several days.

Outlook: Domestic and International

- **In the short term, domestic cotton prices move higher due to restoration of incentives on export of cotton. However the medium to long term trend would depend on acreage estimates for the current season.**
- **U.S markets may trade firm on lower U.S crop concerns and weak export demand from the U.S.**

NCDEX Cotton Futures

Contract	+/-	Open	High	Low	Close
Feb-12	9.2	710.0	710.0	703.1	704.0
Mar-12	10.5	706.6	706.6	700.1	700.1
Apr-12	3.3	697.0	705.0	697.0	701.9

Contract	Volume	Change	OI	Change
Feb-12	17	-23	129	1
Mar-12	3	1	12	-1
Apr-12	1989	-630	5046	147

Spread	Feb-12	Mar-12	Apr-12
Basis	51.0	54.9	53.1
Feb-12	-	-3.9	-2.1
Mar-12	-	-	1.8
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	-2.8	718.9	719.0	712.0	716.0
Apr-12	3.4	709.0	714.9	709.0	712.1

Contract	Volume	Change	OI	Change
Mar-12	67	1	209	3
Apr-12	114	-141	529	-12

Spread	Mar-12	Apr-12
Basis	39.0	42.9
Mar-12	-	-3.9
Apr-12	-	-

NB: Spread was done by taking Spot prices at Kadi markets for Bt cotton.

ICE Cotton Futures:

Contract	+/-	Open	High	Low	Close
Oct-11	-0.73	103.15	103.38	98.81	102.08
Dec-11	-0.80	102.60	102.80	98.57	101.77
Mar-12	-1.39	100.73	100.97	96.75	99.36
May-12	-1.26	96.48	98.54	95.72	98.46

Contract	Volume	Change	OI	Change
Oct-11	61	-27	536	-9
Dec-11	12,967	-1675	99,965	2,757
Mar-12	2,020	-1497	25,122	525
May-12	327	-133	5,552	42

Cotton Prices at Key Spot Markets:

Centre	Prices (Rs/Qtl)		Change
	29-07-11	28-07-11	
Kadi – Bt Cotton	3600-3900	3625-3875	25
Amravati – Vunni Mech-1	NA	NA	-
Ahmedabad – Shankar-6	3250-3750	3000-3650	100
Abohar – J-34	3300	3270-3280	20
Muktsar – J-34	3300	3270-3280	20

Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	29-07-11	28-07-11	
Kadi –Bt Cotton	12	12	Unch
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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