**Cotton Domestic Fundamentals:**

* Cotton prices remained steady to firm supported by firm domestic demand and possible increase in exports of raw cotton.
* Government has restored incentives on export of cotton and cotton yarn which may continue to push prices firm.
* According to ministry of agriculture cotton have been sown in 105.56 lakh hectare as against 101.43 lakh hectare last year on this date. The area has increased by 4.07%.

**Weather Update**

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

**Cotton International Fundamentals:**

* Uncertainty on the outcome of debt ceiling negotiations in Washington and profit-taking as the end of the month pulled prices lower.
* 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 also threatens the Texas crop and may support prices at lows.

**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 debt ceiling concerns. However bad weather conditions may reduce output and may support prices at lows.**

**NCDEX Cotton Futures**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Contract** | **+/-** | **Open** | **High** | **Low** | **Close** |
| Feb-12 | 11.9 | 702.2 | 725.0 | 700.3 | 718.2 |
| Mar-12 | 5.5 | 714.0 | 714.0 | 711.1 | 711.1 |
| Apr-12 | 15.0 | 701.0 | 719.0 | 698.2 | 714.0 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Contract** | **Volume** | **Change** | **OI** | **Change** |
| Feb-12 | 59 | 42 | 135 | 5 |
| Mar-12 | 2 | -1 | 10 | -1 |
| Apr-12 | 2128 | 139 | 5062 | 7 |

|  |  |  |  |
| --- | --- | --- | --- |
| **Spread** | **Feb-12** | **Mar-12** | **Apr-12** |
| Basis | 38.8 | 45.9 | 43.0 |
| Feb-12 | - | -7.1 | -4.2 |
| Mar-12 |  | - | 2.9 |
| Apr-12 |  |  | - |

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

**MCX Cotton Futures**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Contract** | **+/-** | **Open** | **High** | **Low** | **Close** |
| Mar-12 | 15.6 | 718.9 | 730.0 | 713.0 | 728.3 |
| Apr-12 | 15.5 | 711.9 | 728.4 | 708.5 | 724.6 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Contract** | **Volume** | **Change** | **OI** | **Change** |
| Mar-12 | 63 | -4 | 195 | -14 |
| Apr-12 | 100 | -14 | 522 | -7 |

|  |  |  |
| --- | --- | --- |
| **Spread** | **Mar-12** | **Apr-12** |
| Basis | 28.7 | 32.4 |
| Mar-12 | - | -3.7 |
| Apr-12 |  | - |

**NB**: Spread was done by taking Average of 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** |
| **30-07-11** | **29-07-11** |
| **Kadi – Bt Cotton** | 3650-3925 | 3600-3900 | 25 |
| **Amravati – Vunni Mech-1** | NA | NA | - |
| **Ahmedabad – Shankar-6** | 3300-3750 | 3250-3750 | Unch |
| **Abohar – J-34** | 3325 | 3300 | 25 |
| **Muktsar – J-34** | 3325 | 3300 | 25 |

**Cotton Arrivals in Key Centers**

|  |  |  |
| --- | --- | --- |
| **Centre** | **Arrivals** | **Change** |
| **30-07-11** | **29-07-11** |
| **Kadi –Bt Cotton** | 20 | 12 | 8 |
| **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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