

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:

- 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	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					
Dec-11					
Mar-12					
May-12					

Contract	Volume	Change	OI	Change
Oct-11				
Dec-11				
Mar-12				
May-12				

This section will be updated the next day.

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

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.