

Cotton Domestic Fundamentals:

- Cotton prices remained steady to weak as cotton area has improved in major producing states.
- Cotton has been sown in 109.92 lakh hectare till date as against 104.36 lakh hectare last year on this date.
- Sources added that weak demand from cattle-feed and textile industries coupled with higher carry-out stocks in the physical markets pulled markets lower.
- However, the Duty Entitlement Pass Book (DEPB) scheme on cotton has been put into effect on a retrospective basis from October 2010, while on cotton yarn from April 2011, according to Directorate General of Foreign Trade (DGFT).

Weather Update

- According to IMD, widespread rainfall would occur over Jharkhand, M.P Gujarat and East Rajasthan.
- Widespread rains would be seen over the west coast, northeastern states and remaining parts of central and east India.

Cotton International Fundamentals:

- US sentiments remained weak on speculative long liquidation as the financial markets remained in turmoil.
- Traders still remained concerned about weak export demand from the U.S.
- However supply will be the problem as drought conditions in Texas will bring the U.S production down.

Outlook: Domestic and International

- **In the short term, domestic cotton prices move lower due to better acreage estimates compared to last year and weak demand.**
- **U.S markets may trade firm on lower global crop estimates and bad weather conditions is hurting the U.S crop.**

NCDEX Cotton Futures

Contract	+/-	Open	High	Low	Close
Feb-12	-3.3	682.1	706.1	682.1	699.0
Mar-12	-11.6	690.0	695.0	686.3	695.0
Apr-12	2.2	681.0	708.0	674.0	695.2

Contract	Volume	Change	OI	Change
Feb-12	20	-36	117	-2
Mar-12	3	-3	15	1
Apr-12	4151	1441	5092	89

Spread	Feb-12	Mar-12	Apr-12
Basis	164.0	168.0	167.8
Feb-12	-	-4.0	-3.8
Mar-12	-	-	0.2
Apr-12	-	-	-

MCX Cotton Futures

Contract	+/-	Open	High	Low	Close
Mar-12	7.6	700.0	715.0	697.2	711.0
Apr-12	3.1	682.0	716.0	682.0	706.0

Contract	Volume	Change	OI	Change
Mar-12	53	-38	244	4
Apr-12	303	13	620	26

Spread	Mar-12	Apr-12
Basis	152.0	157.0
Mar-12	-	-5.0
Apr-12	-	-

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

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ICE Cotton Futures:

Contract	+/-	Open	High	Low	Close
Oct-11	-2.47	100.43	103.41	98.50	99.01
Dec-11	-3.86	101.40	101.50	97.58	97.72
Mar-12	-3.73	98.49	99.08	95.12	95.39
May-12	-3.58	97.78	98.56	94.79	95.21

Contract	Volume	Change	OI	Change
Oct-11	44	-41	516	-1
Dec-11	8,070	405	99,414	2
Mar-12	2,642	-1499	27,170	433
May-12	425	116	5,604	-189

Cotton Prices at Key Spot Markets:

Centre	Prices (Rs/Qtl)		Change
	08-08-11	06-08-11	
Kadi – Bt Cotton	4125-4500	4125-4500	Unch
Amravati – Vunni Mech-1	4000-4500	4000-4500	Unch
Ahmedabad – Shankar-6	3750-4250	3750-4250	Unch
Abohar – J-34	3625-3670	3680-3700	-30
Muktsar – J-34	3625-3670	3680-3700	-30

Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	08-08-11	06-08-11	
Kadi –Bt Cotton	6	15	-9
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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