

**Cotton Domestic Fundamentals:**

- Cotton prices fell on Tuesday as buying activity declined.
- Sentiments remained weak as cotton acreage is higher and production next year will be better than this year.
- Millers remained inactive and may remain inactive till prices drop another Rs.500-600/qlt.

**Weather Update**

- According to IMD, widespread rainfall would occur over Jharkhand, Gujarat state and South Rajasthan.
- Widespread rains would be seen over the west coast, northeastern states and remaining parts of central and east India.
- Scattered to isolated rainfall over the Northwest India during the next 24 hours.

**Cotton International Fundamentals:**

- US futures continued its weak run as participants continued the long liquidation as the financial markets remained in turmoil.
- However, USDA is expected to release its production estimates and traders expect lower production at 16 million bales compared to the initial estimate of 17 million bales.
- The production was reduced as drought conditions in Texas reduced crop outlook.
- Traders however feel that demand remained weak and exports from the country is also expected to weal this year and this may keep prices at check.

**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	-10.0	684.1	692.7	679.0	686.0
Mar-12	-7.3	692.0	692.0	683.1	683.1
Apr-12	-14.2	687.0	687.0	673.2	679.6

Contract	Volume	Change	OI	Change
Feb-12	40	20	107	-11
Mar-12	2	-1	15	-
Apr-12	2371	-1780	5039	-13

Spread	Feb-12	Mar-12	Apr-12
Basis	129.0	131.9	135.4
Feb-12	-	-2.9	-6.4
Mar-12	-	-	-3.5
Apr-12	-	-	-

**MCX Cotton Futures**

Contract	+/-	Open	High	Low	Close
Mar-12	-16.1	700.0	702.0	688.0	691.0
Apr-12	-13.9	694.7	704.0	683.7	689.9

Contract	Volume	Change	OI	Change
Mar-12	47	-6	244	-
Apr-12	249	-54	571	-49

Spread	Mar-12	Apr-12
Basis	124.0	125.1
Mar-12	-	-1.1
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	-1.75	97.77	100.62	95.01	97.26
Dec-11	-1.92	96.96	100.39	93.72	95.80
Mar-12	-1.81	93.30	97.61	91.39	93.58
May-12	-1.78	91.50	97.10	91.21	93.43

Contract	Volume	Change	OI	Change
Oct-11	90	46	514	-2
Dec-11	10,009	1939	98,017	-1,397
Mar-12	2,604	-38	27,577	407
May-12	1,148	723	5,771	167

**Cotton Prices at Key Spot Markets:**

Centre	Prices (Rs/Qtl)		Change
	09-08-11	08-08-11	
Kadi – Bt Cotton	3900-4250	4125-4500	-250
Amravati – Vunni Mech-1	4000-4500	4000-4500	Unch
Ahmedabad – Shankar-6	3625-4125	3750-4250	-125
Abohar – J-34	3600	3625-3670	-70
Muktsar – J-34	3600	3625-3670	-70

**Cotton Arrivals in Key Centers**

Centre	Arrivals		Change
	09-08-11	08-08-11	
Kadi –Bt Cotton	12	6	6
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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