

**Cotton Domestic Fundamentals:**

- Cotton prices moved higher supported by demand small mill owners.
- However big mill owner's demand remained weak as they are not in parity at current rate.
- Demand from exporters is steady and may continue to support prices at lows.
- Fresh will start to arrive in Saurashtra region of Gujarat along with Maharashtra and Karnataka from next week.
- Meanwhile, unsold stock of cotton in the country is around 50 lakh bales of which 8-10 lakh bales is promised to banks.

**Weather Update**

- According to IMD, widespread rainfall would occur over east and west U.P east and northeast India during next 24-48 hours.
- Scattered rains would occur over the remaining parts of the country.

**Cotton International Fundamentals:**

- US futures remained firm as unusually heavy rain devastated crops in Pakistan and drought has reduced cotton output in US.
- Storms in the Sindh and Punjab regions during the past week could have damaged as much as 1.5 million bales on fields farmers have yet to harvest.
- Rains in the 1<sup>st</sup> week of August have hit cotton crop in Sindh district in Pakistan and could face losses.

**Outlook: Domestic and International**

- **In the short term, domestic cotton prices move higher due to better buying activity and crop delay possibilities.**
- **However in the longer run prices may fall due to better acreage expectations this year.**
- **U.S markets may trade firm on lower output from U.S and Pakistan.**

**NCDEX Cotton Futures**

Contract	+/-	Open	High	Low	Close
Feb-12	7.3	711.0	714.4	708.3	714.4
Mar-12	-2.3	698.9	709.5	696.0	697.3
Apr-12	4.3	698.9	703.0	697.1	699.3

Contract	Volume	Change	OI	Change
Feb-12	3	-11	142	-
Mar-12	9	9	22	-
Apr-12	1448	188	5117	133

Spread	Feb-12	Mar-12	Apr-12
Basis	182.6	199.7	197.7
Feb-12	-	-17.1	-15.1
Mar-12		-	2.0
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	2.9	712.0	717.4	711.6	712.3
Apr-12	3.4	709.0	714.0	707.1	709.0

Contract	Volume	Change	OI	Change
Mar-12	26	7	211	-15
Apr-12	146	41	624	-40

Spread	Mar-12	Apr-12
Basis	184.7	188.0
Mar-12	-	-3.3
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
	18-08-11	17-08-11	
Kadi – Bt Cotton	4375-4600	4250-4600	Unch
Amravati – Vunni Mech-1	4200-4700	4000-4500	200
Ahmedabad – Shankar-6	4000-4500	4000-4500	Unch
Abohar – J-34	3750	3725-3730	20
Muktsar – J-34	3750	3725-3730	20

**Cotton Arrivals in Key Centers**

Centre	Arrivals		Change
	18-08-11	17-08-11	
Kadi –Bt Cotton	3	No Arrival	-
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.