

Cotton Domestic Fundamentals:

- Cotton prices remained mixed as buying by small millers continue to support prices at lows.
- Trader sources say that new crop will be delayed and firm demand from millers and exporters coupled with lower carry-out stocks may continue to support uptrend.
- Cotton area has increased by 9.373% till date in 2011-12 season and has been sown in 116.81 lakh hectare as against 106.80 lakh hectare last year on this date.
- Separately, Director General of Foreign Trade (DGFT) has allowed the cotton exporters to obtain more than one registration certificates in the running marketing year.

Weather Update

- According to IMD, widespread rainfall would occur over Uttar Pradesh east India during next 24 hours.
- Isolated rainfall is expected in west Rajasthan in the next 24 hours which would support the sowing activity. Heavy rainfall could be seen over Gujarat and South Rajasthan after 48 hours.

Cotton International Fundamentals:

- US sentiments remained firm as demand is seen for the cotton crop after months of sales cancelation orders.
- Prices may move higher after persisting drought in Texas could reduce output in U.S and sizeable floods in Sindh province in Pakistan may reduce the Cotton output in the country.
- Meanwhile, world cotton producers received \$1.3bn in subsidies despite market prices doubling to a record high, with farmers in some countries enjoying a rise in state support.

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	6.6	737.9	737.9	720.1	728.0
Mar-12	0.3	717.9	722.0	714.1	716.0
Apr-12	-6.8	715.0	721.9	708.0	709.2

Contract	Volume	Change	OI	Change
Feb-12	26	-2	146	13
Mar-12	20	10	30	1
Apr-12	2648	-623	5072	-181

Spread	Feb-12	Mar-12	Apr-12
Basis	172.0	184.0	190.8
Feb-12	-	-12.0	-18.8
Mar-12	-	-	-6.8
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	-0.9	725.0	732.0	720.0	723.7
Apr-12	-3.7	723.6	729.5	718.4	720.5

Contract	Volume	Change	OI	Change
Mar-12	33	-11	206	3
Apr-12	149	-91	596	8

Spread	Mar-12	Apr-12
Basis	176.3	179.5
Mar-12	-	-3.2
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	-0.15	105.50	106.84	105.30	106.61
Dec-11	0.23	105.00	107.82	104.16	106.45
Mar-12	0.51	101.79	104.25	101.32	103.40
May-12	0.30	100.35	102.68	100.35	101.85
Jul-12	0.08	99.55	101.50	99.44	100.40
Oct-12	0.08	100.67	100.67	100.67	100.67

Contract	Volume	Change	OI	Change
Oct-11	30	-9	452	-10
Dec-11	9,989	-1352	93,613	-629
Mar-12	2,925	-1879	30,992	-78
May-12	733	-1108	6,499	-96
Jul-12	577	-89	8,256	58
Oct-12	1	1	3	-

Cotton Prices at Key Spot Markets:

Centre	Prices (Rs/Qtl)		Change
	20-08-11	19-08-11	
Kadi – Bt Cotton	4125-4875	4000-4375	500
Amravati – Vunni Mech-1	4000-4500	4200-4600	-100
Ahmedabad – Shankar-6	4000-4500	4000-4500	Unch
Abohar – J-34	3850	3750	100
Muktsar – J-34	3850	3800	50

Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	20-08-11	19-08-11	
Kadi –Bt Cotton	2	6	-4
Amravati –Vunni Mech-1	Nil	Nil	-
Ahmedabad – Shankar-6	2000	3000	-1000

Kadi-1 Truck-20 kgs

Amravati-1 Truck-100 kgs

Ahmedabad- in bags

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