

**Cotton Domestic Fundamentals:**

- Cotton prices remained mixed as buying activity from traders declined at higher levels.
- Trader sources say big millers are selling at upper level which and lack of buying activity from traders may continue to pull markets lower.
- 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 central and east India. Scattered rains over the remaining parts of the country.

**Cotton International Fundamentals:**

- US sentiments remained firm as USDA say that the crop is deteriorating more than expected as hot, dry weather is causing problems.
- The USDA report showed 41% of the country's cotton crop is still in poor condition.

**Outlook: Domestic and International**

- In the short term, domestic cotton prices move lower due to weak buying activity weak miller's demand. 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	3.2	722.1	733.9	722.1	733.9
Mar-12	-3.8	715.0	715.0	715.0	715.0
Apr-12	-5.5	719.5	719.6	710.4	710.8

Contract	Volume	Change	OI	Change
Feb-12	7	-47	165	-
Mar-12	1	-5	30	-
Apr-12	1269	-417	5102	-60

Spread	Feb-12	Mar-12	Apr-12
Basis	153.1	172.0	176.2
Feb-12	-	-18.9	-23.1
Mar-12	-	-	-4.2
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	1.7	727.1	731.0	725.0	728.9
Apr-12	-3.1	727.9	730.0	720.0	721.0

Contract	Volume	Change	OI	Change
Mar-12	15	-11	212	2
Apr-12	79	-86	590	22

Spread	Mar-12	Apr-12
Basis	158.1	166.0
Mar-12	-	-7.9
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	-1.47	106.02	107.31	105.14	105.14
Dec-11	-1.21	106.45	107.25	104.27	105.24
Mar-12	-1.16	103.35	104.00	101.45	102.24
May-12	-0.86	102.60	102.60	100.05	100.99
Jul-12	-0.67	100.10	100.37	99.50	99.73
Oct-12	-1.72	98.95	98.95	98.95	98.95

Contract	Volume	Change	OI	Change
Oct-11	22	-8	449	-3
Dec-11	7,564	-2425	93,505	-108
Mar-12	1,075	-1850	31,461	469
May-12	516	-217	6,488	-11
Jul-12	170	-407	8,363	107
Oct-12	0	-1	3	-

**Cotton Prices at Key Spot Markets:**

Centre	Prices (Rs/Qtl)		Change
	23-08-11	20-08-11	
Kadi – Bt Cotton	4250-4625	4125-4875	-250
Amravati – Vunni Mech-1	4000-4400	4000-4500	-100
Ahmedabad – Shankar-6	4000-4500	4000-4500	Unch
Abohar – J-34	4100	3850	250
Muktsar – J-34	4100	3850	250

**Cotton Arrivals in Key Centers**

Centre	Arrivals		Change
	23-08-11	20-08-11	
Kadi –Bt Cotton	3	2	1
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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