

**Cotton Domestic Fundamentals:**

- Cotton prices remained mixed as domestic demand remained weak.
- Millers continued to sell at highs and may pull markets lower in the medium to long term.
- Rainfall in Haryana and Punjab is going to be favourable to standing crops.
- Meanwhile, demand and prices of apparel and garments is improving and 3-4 per cent increase has been registered in US and Gulf countries.
- Meanwhile, Last year's price swings in cotton have discouraged the decades-old practice of cotton farmers to selling their crop in forward deals before harvesting.

**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 ended slightly lower amid government data showing that U.S. crop conditions deteriorated last week, while fears over a disruption to supplies in Pakistan added to concerns over tightening global supplies.
- The USDA report showed 41% of the country's cotton crop is still in poor condition compared to 40% a week earlier and up significantly from 11% in the same week a year earlier.

**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	6.5	740.0	740.0	727.0	734.2
Mar-12	1.9	716.9	716.9	716.9	716.9
Apr-12	3.2	712.5	718.9	712.0	714.9

Contract	Volume	Change	OI	Change
Feb-12	24	17	170	-
Mar-12	1	-	29	-
Apr-12	1226	-43	5206	100

Spread	Feb-12	Mar-12	Apr-12
Basis	202.8	220.1	222.1
Feb-12	-	-17.3	-19.3
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	-2.3	706.6	731.9	706.6	726.2
Apr-12	3.1	722.1	728.6	722.1	724.2

Contract	Volume	Change	OI	Change
Mar-12	40	25	209	-3
Apr-12	144	65	584	-6

Spread	Mar-12	Apr-12
Basis	210.8	212.8
Mar-12	-	-2.0
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	-0.52	106.75	108.50	104.62	104.62
Dec-11	-0.25	105.59	109.00	104.61	104.99
Mar-12	-0.27	102.80	105.16	101.50	101.97
May-12	-0.37	101.69	103.02	100.25	100.62
Jul-12	-0.21	99.99	101.00	99.52	99.52
Oct-12	-0.21	98.74	98.74	98.74	98.74

Contract	Volume	Change	OI	Change
Oct-11	49	27	437	-12
Dec-11	6,762	-802	93,973	468
Mar-12	1,586	511	31,946	485
May-12	661	145	6,558	70
Jul-12	200	30	8,427	64
Oct-12	0	-	3	-

**Cotton Prices at Key Spot Markets:**

Centre	Prices (Rs/Qtl)		Change
	24-08-11	23-08-11	
Kadi – Bt Cotton	4500-4875	4250-4625	250
Amravati – Vunni Mech-1	4000-4400	4000-4400	Unch
Ahmedabad – Shankar-6	4000-4500	4000-4500	Unch
Abohar – J-34	4050	4100	-50
Muktsar – J-34	4050	4100	-50

**Cotton Arrivals in Key Centers**

Centre	Arrivals		Change
	24-08-11	23-08-11	
Kadi –Bt Cotton	Nil	3	-
Amravati –Vunni Mech-1	Nil	Nil	-
Ahmedabad – Shankar-6	2000	2000	-

Kadi-1 Truck-20 kgs

Amravati-1 Truck-100 kgs

Ahmedabad- in bags

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