

Cotton Domestic Fundamentals:

- Cotton prices remained steady to firm amid lack of buyers in the market.
- However, demand for yarn continues in the market and may support the prices at lows.
- Meanwhile, India's monsoon rains were 8 per cent below normal in the week to August 24th. Sources say that August rains are important for vegetative growth of cotton, planted in June and July.

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.
- Meanwhile, Chinese July cotton yarn imports fall due to weak demand and high landed costs.
- According to China Customs, cotton yarn imports fell last month by almost 25% from 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.**

NCDEX Cotton Futures

Contract	+/-	Open	High	Low	Close
Feb-12	-0.15	715.0	728.0	707.4	728.0
Mar-12	-3.00	705.0	705.0	695.4	695.4
Apr-12	-2.53	714.5	714.5	694.0	697.0

Contract	Volume	Change	OI	Change
Feb-12	34	10	182	11
Mar-12	2	1	29	-1
Apr-12	2147	921	5191	-13

Spread	Feb-12	Mar-12	Apr-12
Basis	209.0	241.6	240.0
Feb-12	-	-32.6	-31.0
Mar-12		-	1.6
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	-2.28	725.0	725.0	710.0	713.0
Apr-12	-2.22	729.8	729.8	705.5	708.6

Contract	Volume	Change	OI	Change
Mar-12	37	-3	224	15
Apr-12	202	58	659	75

Spread	Mar-12	Apr-12
Basis	224.0	228.4
Mar-12	-	-4.4
Apr-12		-

NB: Spread was done by taking Average of Spot prices at Kadi markets for Bt cotton.

Cotton Prices at Key Spot Markets:

Centre	Prices (Rs/Qtl)		Change
	25-08-11	24-08-11	
Kadi – Bt Cotton	4500-4875	4500-4875	Unch
Amravati – Vunni Mech-1	4200-4500	4000-4400	Unch
Ahmedabad – Shankar-6	4125-4625	4000-4500	125
Abohar – J-34	4050	4050	Unch
Muktsar – J-34	4050	4050	Unch

Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	25-08-11	24-08-11	
Kadi –Bt Cotton	5	Nil	-
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.