

Cotton Domestic Fundamentals:

- Cotton prices fell on Friday as area sown for cotton is higher this compared to last year.
- As per data from the Ministry of Agriculture, Cotton has been sown in 118.05 lakh hectares as against 107.53 lakh hectares last year on this date representing an increase of 10.52 lakh hectares or an increase of 9.783%.
- Meanwhile, ahead of the arrival of fresh raw cotton, cotton ginners in Haryana have gone on indefinite strike to protest high market fee and rural development fund.
- Trade sources said that south Indian millers are still buying a bit but there are no buyers at higher price levels.

Weather Update

According to IMD, fairly widespread rain would occur over many parts of the country expect for isolated rains in interior Maharashtra and south interior peninsula India.

Cotton International Fundamentals:

- US sentiments ended slightly lower after a report showed overseas buyers scrapped orders for supplies from the U.S.
- USDA report showed that in the week ended August 18th 2011, canceled orders for upland cotton exceeded sales by 230,308 bales for the current crop year.
- However China cotton output is likely to rise for the first time in four years in the 2011-2012 season. The cotton output may rise by 10% to 7.9 million tonnes from 7.2 million tonnes a year earlier due to good weather during most of the growing season and larger planter area.

Outlook: Domestic and International

- **In the short term, domestic cotton prices move lower due to weak buying activity and weak miller's demand. In the longer run prices may fall due to better acreage expectations this year.**
- **U.S markets may trade lower on cancelations of exports and higher production expected in China.**

NCDEX Cotton Futures

Contract	+/-	Open	High	Low	Close
Feb-12	-13.8	703.1	710.1	697.3	705.0
Mar-12	-18.2	690.0	700.0	682.0	682.0
Apr-12	-8.4	694.0	698.6	685.0	689.0

Contract	Volume	Change	OI	Change
Feb-12	35	1	173	-19
Mar-12	6	4	31	2
Apr-12	1819	-328	5378	182

Spread	Feb-12	Mar-12	Apr-12
Basis	195.0	218.0	211.0
Feb-12	-	-23.0	-16.0
Mar-12		-	7.0
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	-8.6	724.0	724.0	704.0	704.1
Apr-12	-8.4	709.5	709.5	696.8	699.9

Contract	Volume	Change	OI	Change
Mar-12	81	44	249	25
Apr-12	182	-20	674	15

Spread	Mar-12	Apr-12
Basis	195.9	200.1
Mar-12	-	-4.2
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					
Dec-11					
Mar-12					
May-12					
Jul-12					
Oct-12					

Contract	Volume	Change	OI	Change
Oct-11				
Dec-11				
Mar-12				
May-12				
Jul-12				
Oct-12				

This section will be updated the next day.

Cotton Prices at Key Spot Markets:

Centre	Prices (Rs/Qtl)		Change
	26-08-11	25-08-11	
Kadi – Bt Cotton	4375-4625	4500-4875	-250
Amravati – Vunni Mech-1	4000-4400	4200-4500	-100
Ahmedabad – Shankar-6	4375-4625	4125-4625	Unch
Abohar – J-34	4000	4050	-50
Muktsar – J-34	4000	4050	-50

Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	26-08-11	25-08-11	
Kadi –Bt Cotton	3	5	-2
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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