

**Cotton Domestic Fundamentals:**

- Cotton prices remained range bound to weak on dull demand.
- Millers are remained inactive as prices are likely to fall due to an increase in the arrival in the coming days.
- Total unsold stock with traders and ginneries in the country is 25-27 lakh bales while the carry forward stock for next season is projected at 47 lakh bales.
- Exporters also remained absent as they anticipate fresh arrivals in the next 2 weeks.
- Trade source revealed that poor financial condition of mills may prompt them to buy on credit.
- Meanwhile, textile mills faced with accumulated losses of over Rs 15,000 crore due to the huge volatility in cotton and yarn markets in the past few months.

**Weather Update**

- Isolated heavy rainfall would occur along the west coast during the next 48 hours.
- Fairly widespread thundershowers would occur over the plains of northwest & central India, Orissa, Interior Maharashtra and Gujarat.
- Scattered thundershowers would occur over the remaining parts of India.

**Cotton International Fundamentals:**

- Cotton futures remained positive as severe drought conditions in Texas and Hurricane Irene damaged crops in North Carolina.
- Meanwhile, ongoing rains in Pakistan have almost damaged 5 to 7 per cent of the total size of the anticipated cotton crop 2011-12. Around 300,000 bales have been damaged in Sindh belt and 350,000 bales have been damaged in the Punjab belt.
- Meanwhile, USDA added that export sales improved for U.S cotton which continued to support prices at lows.

**Outlook: Domestic and International**

- **In the short term, domestic cotton prices move lower due to weak buying activity and anticipation of fresh arrivals.**
- **U.S markets may trade higher on lower crop from U.S and Pakistan.**

**NCDEX Cotton Futures: Updated price as on 03<sup>rd</sup> September 2011**

Contract	+/-	Open	High	Low	Close
Feb-11	-1.8	691.0	694.0	689.0	693.0
Mar-11	-	-	-	-	-
Apr-11	-1.8	682.0	684.0	674.0	679.9

Contract	Volume	Change	OI	Change
Feb-11	27	17	170	6
Mar-11	0	-3	30	-
Apr-11	1188	-372	5860	76

Spread	Feb-12	Mar-12	Apr-12
Basis	207.0	-	220.1
Feb-12	-	-	-13.1
Mar-12		-	-
Apr-12			-

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

**ICE Cotton Futures: 02/09/2011**

Contract	Open	High	Low	Close	Change
Oct-11	107.00	107.00	105.83	106.59	0.51
Dec-11	105.80	107.05	105.01	105.89	0.11
Mar-12	103.13	104.09	102.17	102.66	-0.47
May-12	102.38	102.72	100.83	101.94	-0.29
Jul-12	101.38	101.50	99.54	101.27	-0.21
Oct-12	99.14	99.14	99.14	99.14	-0.55

**Cotton Prices at Key Spot Markets:**

Centre	Prices (Rs/Qtl)		Change
	03-09-11	02-09-11	
Kadi – Bt Cotton	4375-4625	4375-4650	-25
Amravati – Vunni Mech-1	4100-4400	4100-4400	Unch
Ahmedabad – Shankar-6	4100-4450	4000-4375	75
Abhor – J-34	3675	3725	-50
Muktsar – J-34	3700	3725	-25

**Cotton Arrivals in Key Centers**

Centre	Arrivals		Change
	03-09-11	02-09-11	
Kadi –Bt Cotton	12	3	9
Amravati –Vunni Mech-1	Nil	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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