

Cotton Domestic Fundamentals:

- Cotton prices moved higher on Thursday as bad weather conditions in North India have hit the cotton picking operation in Punjab and Haryana.
- Sources added that the extended monsoon showers are set to damage a part about and 74,000 hectares crop in Punjab of the crop.
- Trade sources also revealed that the extended monsoon has also affected cotton crop in Gujarat, the largest producer and in Rajasthan.

Weather Update

- Widespread rain would occur over Orissa, Chhattisgarh and Gujarat and North-west India during the next 48 hours.
- Fairly widespread thundershowers would occur over east Madhya Pradesh, Vidarbha and Uttar Pradesh during the next 48 hours.
- Scattered thundershowers would occur over southeast peninsular India.

Cotton International Fundamentals:

- Cotton futures ended higher as Tropical Storm Lee may have damaged crops in the U.S.
- Markets also ended higher as traders now worry over the size and quality of this year's domestic crop.
- Meanwhile bad weather has also affected Pakistan cotton crop and about 15-20% of damage could be seen.

Outlook: Domestic and International

- **In the short term, domestic cotton prices move higher supported by crop damage reports in Punjab, Haryana, Rajasthan and Gujarat.**
- **U.S markets may trade higher on lower crop expectations from U.S and Pakistan.**

NCDEX Cotton Futures: Updated price as on 08th September 2011

| Contract | +/- | Open | High | Low | Close |
|----------|------|-------|-------|-------|-------|
| Feb-11 | 29.1 | 729.9 | 756.0 | 728.0 | 756.0 |
| Mar-11 | 28.8 | 717.0 | 748.8 | 717.0 | 748.8 |
| Apr-11 | 28.7 | 712.0 | 744.0 | 711.5 | 744.0 |

| Contract | Volume | Change | OI | Change |
|----------|--------|--------|------|--------|
| Feb-11 | 241 | 116 | 255 | 69 |
| Mar-11 | 109 | 97 | 60 | 20 |
| Apr-11 | 7798 | 3264 | 6648 | 546 |

| Spread | Feb-12 | Mar-12 | Apr-12 |
|--------|--------|--------|--------|
| Basis | 169.0 | 176.2 | 181.0 |
| Feb-12 | - | -7.2 | -12.0 |
| Mar-12 | - | - | -4.8 |
| Apr-12 | - | - | - |

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

MCX Cotton Futures: Updated price as on 08th September 2011

| Contract | +/- | Open | High | Low | Close |
|----------|------|-------|-------|-------|-------|
| Mar-12 | 19.9 | 744.0 | 774.9 | 744.0 | 769.0 |
| Apr-12 | 28.9 | 727.0 | 757.7 | 726.0 | 757.5 |

| Contract | Volume | Change | OI | Change |
|----------|--------|--------|-----|--------|
| Mar-12 | 1245 | 779 | 683 | 279 |
| Apr-12 | 1450 | 632 | 913 | 105 |

| Spread | Mar-12 | Apr-12 |
|--------|--------|--------|
| Basis | 156.0 | 167.5 |
| Mar-12 | - | -11.5 |
| Apr-12 | - | - |

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

ICE Cotton Futures: 07/09/2011

| Contract | Open | High | Low | Close | Change |
|----------|--------|--------|--------|--------|--------|
| Oct-11 | 106.82 | 110.24 | 106.82 | 110.24 | 4.00 |
| Dec-11 | 106.45 | 110.34 | 105.89 | 110.34 | 4.00 |
| Mar-12 | 102.70 | 106.59 | 102.15 | 106.59 | 4.00 |
| May-12 | 102.39 | 105.75 | 102.39 | 105.75 | 4.00 |
| Jul-12 | 101.37 | 104.87 | 101.37 | 104.87 | 4.00 |
| Oct-12 | 102.75 | 102.75 | 102.75 | 102.75 | 4.00 |

Cotton Prices at Key Spot Markets:

| Centre | Prices (Rs/Qtl) | | Change |
|-------------------------|-----------------|-----------|--------|
| | 08-09-11 | 07-09-11 | |
| Kadi – Bt Cotton | 4550-4700 | 4375-4625 | 75 |
| Amravati – Vunni Mech-1 | 4200-4500 | 4100-4400 | 100 |
| Ahmedabad – Shankar-6 | 4000-4500 | 4000-4500 | Unch |
| Abhor – J-34 | 4000 | 3970 | 30 |
| Muktsar – J-34 | 4050 | 4075 | -25 |

Cotton Arrivals in Key Centers

| Centre | Arrivals | | Change |
|------------------------|----------|----------|--------|
| | 08-09-11 | 07-09-11 | |
| Kadi –Bt Cotton | 12 | Nil | - |
| Amravati –Vunni Mech-1 | Nil | Nil | Nil |
| Ahmedabad – Shankar-6 | 2500 | 2000 | 500 |

Kadi-1 Truck-20 kgs
Amravati-1 Truck-100 kgs
Ahmedabad- in bags

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