

**Cotton Domestic Fundamentals:**

- Cotton prices traded higher in the domestic market.
- Cotton acreage likely to rise by 10 per cent because of favorable monsoon.
- Ruling out any kind of restrictions, Commerce Ministry indicated that it would allow exports of cotton under the Open General License (OGL) for the next crop season beginning October.
- Total unsold stock with traders and ginners 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.

**Weather Update**

- Heavy to very heavy rainfall at a few places would occur over Himachal Pradesh and Uttarakhand during next 24 hours.
- Isolated heavy to very heavy rainfall would occur over Jammu division of Jammu & Kashmir, Punjab,
- Haryana including Delhi, Uttar Pradesh, Gangetic West Bengal, Jharkhand and Orissa during next 24 hours and over Chhattisgarh and east Madhya Pradesh during next 48 hours.

**Cotton International Fundamentals:**

- Cotton futures remained positive
- 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.

**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 09th September 2011**

Contract	+/-	Open	High	Low	Close
12-Feb	10	745	773	745	766
12-Mar	12.3	754.9	777	754.1	761.1
12-Apr	5	756	766	742.2	749

Contract	Volume	Change	OI	Change
12-Feb	162	-79	281	26
12-Mar	38	-71	51	-8
12-Apr	7308	0	6539	6539

Spread	Feb-12	Mar-12	Apr-12
Basis	199.0	203.9	216
Feb-12	-	-4.9	-17.0
Mar-12		-	-12.1
Apr-12			-

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

**ICE Cotton Futures: 08/09/2011**

Contract	Open	High	Low	Close	Change
<b>Oct-11</b>	111.14	114.19	111.03	112.45	<b>+2.21</b>
<b>Dec-11</b>	111.80	115.47	111.17	113.63	<b>+3.29</b>
<b>Mar-12</b>	107.17	111.10	107.17	110.27	<b>+3.68</b>
<b>May-12</b>	106.02	109.50	106.02	108.64	<b>+2.89</b>
<b>Jul-12</b>	104.87	108.50	104.87	107.36	<b>+2.49</b>
<b>Oct-12</b>	105.02	105.02	105.02	105.02	<b>+2.27</b>

**Cotton Prices at Key Spot Markets:**

Centre	Prices (Rs/Qtl)		Change
	09-09-11	08-09-11	
<b>Kadi – Bt Cotton</b>	4550-4825	4550-4700	<b>+125</b>
<b>Amravati – Vunni Mech-1</b>	4200-4600	4200-4500	<b>+100</b>
<b>Ahmedabad – Shankar-6</b>	4125-4625	4000-4500	<b>+125</b>
<b>Abhor – J-34</b>	4125	4000	<b>+125</b>
<b>Muktsar – J-34</b>	4125	4050	<b>+75</b>






**Cotton Arrivals in Key Centers**

Centre	Arrivals		Change
	09-09-11	08-09-11	
<b>Kadi –Bt Cotton</b>	12	12	<b>Unch</b>
<b>Amravati –Vunni Mech-1</b>	-	-	<b>-</b>
<b>Ahmedabad – Shankar-6</b>	3000	2500	<b>+500</b>

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

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Oct11	110908	111.14	114.19	111.03	112.45	+2.21 	165	264	-133
Dec11	110908	111.80	115.47	111.17	113.63	+3.29 	6,645	91,237	-736
Mar12	110908	107.17	111.10	107.17	110.27	+3.68 	1,939	35,609	+109
May12	110908	106.02	109.50	106.02	108.64	+2.89 	181	6,583	+74
Jul12	110908	104.87	108.50	104.87	107.36	+2.49 	258	9,991	+136
Oct12	110908	105.02	105.02	105.02	105.02	+2.27 