

Cotton Domestic Fundamentals:

- Cotton prices remained steady to weak a Cotton production is estimated to be higher by Cotton Association of India (CAI) to 363.75 lakh bales compared to 332.3 lakh bales.
- The increase is due to increase in the acreage under cotton by 10% to a record high over 120 lakh hectares.
- According to the state agriculture department, acreage in Rajasthan for 2011-12 is up by 40.2% at 4.70 lakh hectares compared to last year. Production has also increased by 23% at 11.07 lakh tonnes compared to last year.

Weather Update

- Widespread rainfall would occur over Rajasthan and Gujarat during next 24 hours.
- Scattered rainfall would occur over Orissa Andhra Pradesh and Chhattisgarh during next 24 hours.

Cotton International Fundamentals:

- Cotton futures fell on profit taking from the strong rally the past two sessions.
- Pakistan crop losses could also push prices higher as the there is strong possibility revising down the production target of cotton crop by 2.25 millions of bales as against the target of 15 million bales this year.
- Meanwhile, International Cotton Advisory Committee (ICAC), world cotton production is expected to continue to rise in 2011-12 for the second consecutive season to 26.9 million tonnes, with a gain of over 8% from the last year.

Outlook: Domestic and International

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

NCDEX Cotton Futures: Updated price as on 12th September 2011

Contract	+/-	Open	High	Low	Close
12-Feb	-8.7	774.0	774.0	749.5	759.4
12-Mar	-19.5	766.2	769.9	747.4	747.4
12-Apr	-6.0	752.9	759.9	740.3	745.0

Contract	Volume	Change	OI	Change
12-Feb	143	75	256	-20
12-Mar	17	4	47	-1
12-Apr	4807	1325	6282	-724

Spread	Feb-12	Mar-12	Apr-12
Basis	178.6	190.6	193.0
Feb-12	-	-12.0	-14.4
Mar-12	-	-	-2.4
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 12th September 2011

Contract	+/-	Open	High	Low	Close
Mar-12	-21.8	797.9	801.0	765.5	769.3
Apr-12	-10.2	768.0	774.5	750.1	756.0

Contract	Volume	Change	OI	Change
Mar-12	1455	636	758	-398
Apr-12	1290	657	892	-252

Spread	Mar-12	Apr-12
Basis	168.7	182.0
Mar-12	-	-13.3
Apr-12	-	-

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

ICE Cotton Futures: 09/09/2011

Contract	Open	High	Low	Close	Change
Oct-11	112.75	112.75	109.95	110.30	-2.15
Dec-11	113.70	114.25	110.44	111.87	-1.76
Mar-12	110.50	110.50	107.00	108.62	-1.65
May-12	108.01	108.82	105.45	106.46	-2.18
Jul-12	107.00	107.50	104.40	104.78	-2.58
Oct-12	102.44	102.44	102.44	102.44	-2.58

Cotton Prices at Key Spot Markets:

Centre	Prices (Rs/Qtl)		Change
	12-09-11	10-09-11	
Kadi – Bt Cotton	4625-4850	4625-4850	Unch
Amravati – Vunni Mech-1	4200-4600	4200-4600	Unch
Ahmedabad – Shankar-6	4125-4625	4125-4625	Unch
Abhor – J-34	4050	4050	Unch
Muktsar – J-34	4050	4100	-50

Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	12-09-11	10-09-11	
Kadi –Bt Cotton	12	12	Unch
Amravati –Vunni Mech-1	-	-	-
Ahmedabad – Shankar-6	3000	2500	500

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

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