

**Cotton Domestic Fundamentals:**

- Cotton prices remained mixed as demand from millers and exporters remained dull.
- Meanwhile, the government said cotton exporters will no longer have to furnish bank guarantees for registration of export contract. Export of cotton will continue to be free, subject to registration of contracts with the DGFT.
- Separately, Haryana cotton growers will sell their crop in Punjab due to strike in the local Mandis.
- Water logging in the northern side of the country could delay harvesting and may delay fresh crop arrival which may continue to support the prices at lows.

**Weather Update**

- Widespread rainfall would occur over Rajasthan and Gujarat during next 48 hours.
- Scattered rainfall would occur over Orissa Andhra Pradesh and Chhattisgarh during next 24 hours.

**Cotton International Fundamentals:**

- Cotton futures fell after a U.S. government report showed world stockpiles will be smaller than previously forecast.
- USDA said in its report that global inventories of cotton on July 31<sup>st</sup> 2011 will total 51.91 million bales, down from the previous estimate of 52.66 million.
- USDA also added that world demand will be 115.22 million bales, compared with the August estimate of 115.18 million bales.
- Meanwhile, Chinese cotton output in 2011/12 crop year to be 7.4 million tonnes, 17.8 percent higher than their estimate for 2010/11 which pull markets lower.
- Meanwhile ABARE say that Australia's crop is forecast to reach a record 1.1 million tonnes in 2011-12, boosted by favourable cotton prices and the availability of more irrigation water.

**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 13<sup>th</sup> September 2011**

Contract	+/-	Open	High	Low	Close
12-Feb	-0.8	749.1	755.5	749.0	753.0
12-Mar	-9.8	746.2	755.0	746.2	748.2
12-Apr	-0.8	742.1	749.0	738.2	743.1

Contract	Volume	Change	OI	Change
12-Feb	50	-93	245	-11
12-Mar	25	8	45	-2
12-Apr	3166	-1641	6402	124

Spread	Feb-12	Mar-12	Apr-12
Basis	47.0	51.8	56.9
Feb-12	-	-4.8	-9.9
Mar-12		-	-5.1
Apr-12			-

**NB:** Spread was done by taking Spot prices at Ahmedabad markets for Shankar cotton.

**MCX Cotton Futures: Updated price as on 13<sup>th</sup> September 2011**

Contract	+/-	Open	High	Low	Close
Mar-12	0.1	773.0	773.0	764.1	767.0
Apr-12	0.4	754.0	758.9	748.0	754.7

Contract	Volume	Change	OI	Change
Mar-12	195	-1260	744	-14
Apr-12	328	-962	866	-26

Spread	Mar-12	Apr-12
Basis	33.0	45.3
Mar-12	-	-12.3
Apr-12		-

**NB:** Spread was done by taking Spot prices at Ahmedabad markets for Shankar cotton.

**ICE Cotton Futures: 12/09/2011**

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
	13-09-11	12-09-11	
Kadi – Bt Cotton	4625-4825	4625-4850	-25
Amravati – Vunni Mech-1	4200-4600	4200-4600	Unch
Ahmedabad – Shankar-6	4000-4625	4125-4625	Unch
Abhor – J-34	4015	4050	-35
Muktsar – J-34	4050	4050	Unch

**Cotton Arrivals in Key Centers**

Centre	Arrivals		Change
	13-09-11	12-09-11	
Kadi –Bt Cotton	25	12	13
Amravati –Vunni Mech-1	-	-	-
Ahmedabad – Shankar-6	3000	3000	Unch

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

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