

**Cotton Domestic Fundamentals:**

- Cotton prices remained mixed as government has decided to cotton exports under the open general license (OGL).
- Separately, SIMA is have been urging the government to permit exports under the OGL only from January stating that if cotton is shipped early in the season, it would hit availability in the domestic market and push prices up.

**Weather Update**

- Widespread rainfall would occur over west coast, East and Northeast India.
- Isolated rainfall would occur over Rajasthan and Gujarat.

**Cotton International Fundamentals:**

- Cotton futures ended higher after traders had little reaction to the USDA reports of global inventories.
- Meanwhile, Chinese cotton imports for August fell 13.8% from the previous year.
- 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 lower on higher crop from Australia and China.**

**NCDEX Cotton Futures: Updated price as on 14<sup>th</sup> September 2011**

Contract	+/-	Open	High	Low	Close
12-Feb	24.5	753.7	777.0	751.0	776.5
12-Mar	24.0	754.0	775.0	754.0	775.0
12-Apr	27.9	743.0	773.3	738.0	772.1

Contract	Volume	Change	OI	Change
12-Feb	146	96	207	-38
12-Mar	7	-18	42	-2
12-Apr	7794	4628	6481	80

Spread	Feb-12	Mar-12	Apr-12
Basis	23.5	25.0	27.9
Feb-12	-	-1.5	-4.4
Mar-12	-	-	-2.9
Apr-12	-	-	-

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

**MCX Cotton Futures: Updated price as on 14<sup>th</sup> September 2011**

Contract	+/-	Open	High	Low	Close
Mar-12	19.2	766.9	790.0	766.9	787.9
Apr-12	25.7	755.0	783.0	750.0	781.0

Contract	Volume	Change	OI	Change
Mar-12	617	422	683	-61
Apr-12	1140	812	768	-98

Spread	Mar-12	Apr-12
Basis	12.1	19.0
Mar-12	-	-6.9
Apr-12	-	-

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

**ICE Cotton Futures: 13/09/2011**

Contract	Open	High	Low	Close	Change
Oct-11	110.77	111.78	109.80	111.56	0.84
Dec-11	112.50	113.65	111.13	113.01	0.72
Mar-12	109.20	110.41	108.13	109.91	0.70
May-12	107.45	107.94	105.81	107.40	0.41
Jul-12	105.42	106.61	104.03	105.97	0.64
Oct-12	103.83	103.83	103.83	103.83	0.64

**Cotton Prices at Key Spot Markets:**

Centre	Prices (Rs/Qtl)		Change
	14-09-11	13-09-11	
Kadi – Bt Cotton	4600-4815	4625-4825	-10
Amravati – Vunni Mech-1	4200-4600	4200-4600	Unch
Ahmedabad – Shankar-6	4000-4625	4000-4625	Unch
Abhor – J-34	4050	4015	35
Muktsar – J-34	4100	4050	50

**Cotton Arrivals in Key Centers**

Centre	Arrivals		Change
	14-09-11	13-09-11	
Kadi –Bt Cotton	40	25	15
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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