

**Cotton Domestic Fundamentals:**

- Cotton prices remained weak as millers and exporters demand remained dull.
- Cotton prices also declined as Cotton has been sown in 119.69 lakh hectares compared to 109.57 lakh hectares sown last year.
- Higher area coverage has been reported from Gujarat, Rajasthan, Maharashtra, Haryana, Madhya Pradesh and Andhra Pradesh.
- Meanwhile, The Central government is preparing to mop up a third of India's cotton harvest this year out of fear that a drop in clothing demand could lead to crop prices diving below the minimum support price and causing widespread farmer distress.
- Also, Prime Minister Manmohan Singh's has announced duty-free import of 61 items from Bangladesh has upset the textile lobby.
- Fears of crop damage because of heavy rain in Gujarat continue in the market and may restrict downside.

**Weather Update**

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

**Cotton International Fundamentals:**

- Cotton futures ended lower on Friday. Technical selling and speculative selling is supporting the market.
- Meanwhile, about 2.7 million cotton bales were destroyed during recent flash floods in Sindh province.

**Outlook: Domestic and International**

- **In the short term, domestic cotton prices move higher due to a possibility of loss of crop from North India.**
- **U.S markets may trade higher on lower crop from Pakistan and U.S.**

**NCDEX Cotton Futures: Updated price as on 19<sup>th</sup> September 2011**

Contract	+/-	Open	High	Low	Close
12-Feb	14.5	764.9	789.9	756.0	782.9
12-Mar	7.8	758.6	789.0	758.6	780.0
12-Apr	12.9	757.0	780.8	752.0	774.5

Contract	Volume	Change	OI	Change
12-Feb	30	27	184	1
12-Mar	20	12	46	-
12-Apr	7774	5734	7302	-176

Spread	Feb-12	Mar-12	Apr-12
Basis	79.1	82.0	87.5
Feb-12	-	-2.9	-8.4
Mar-12		-	-5.5
Apr-12			-

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

**MCX Cotton Futures: Updated price as on 19<sup>th</sup> September 2011**

Contract	+/-	Open	High	Low	Close
12-Mar	10.9	771.1	791.0	766.0	784.6
12-Apr	10.8	772.0	790.9	763.6	784.0

Contract	Volume	Change	OI	Change
12-Mar	380	297	664	4
12-Apr	1143	927	919	36

Spread	Mar-12	Apr-12
Basis	77.4	78.0
Mar-12	-	-0.6
Apr-12		-

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

ICE Cotton Futures: 16/09/2011

Contract	Open	High	Low	Close	Change
Oct-11	109.20	109.84	108.95	109.08	-1.54
Dec-11	111.62	112.05	109.41	110.52	-1.10
Mar-12	108.55	109.00	106.29	107.49	-1.06
May-12	106.69	106.69	104.58	105.55	-0.99
Jul-12	104.00	104.82	103.48	104.55	-0.91
Oct-12	103.11	103.11	103.11	103.11	-0.91

**Cotton Prices at Key Spot Markets:**

Centre	Prices		Change
	19-09-11	17-09-11	
Kadi – Bt Cotton#	4700-4900	4700-5000	-100
Amravati – Vunni Mech-1#	4200-4600	4200-4600	Unch
Ahmedabad – Shankar-6#	4000-4625	4000-4750	-125
Abhor – J-34*	4000-4050	4150	-100
Muktsar – J-34*	4000-4050	4200	-150

\*-Rs/maund, #-Rs.qtl

**Cotton Arrivals in Key Centers**

Centre	Arrivals		Change
	19-09-11	17-09-11	
Kadi –Bt Cotton	35	40	-5
Amravati –Vunni Mech-1	-	-	-
Ahmedabad – Shankar-6	4000	4000	Unch

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

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