

## Cotton Domestic Fundamentals:

- Cotton prices fell on Wednesday as fresh arrivals will start to hit the markets.
- Sources say that on anticipation of fresh arrivals stockists are clearing existing stocks which may continue to drag markets down.
- Meanwhile, Indian cotton output is also headed for a record at 36.1 million bales against 33.4 million bales the previous year.

## Weather Update

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

## Cotton International Fundamentals:

- Cotton futures for December delivery slid 0.11 cent, or 0.1, percent, to \$1.0541 a pound in New York.
- Prices fell in the U.S. Department of Agriculture's September 12<sup>th</sup> 2011 estimate of U.S. cotton yields as overall U.S. cotton production and the cotton market remained steady to higher this week.
- Meanwhile Pakistan could import from India as 2011-12 output of the fibre has been tamped down two million bales to 13 million tonnes due to heavy rains.

## Outlook: Domestic and International

- In the short term, domestic cotton prices move lower on higher acreage, better crop expectations and fresh arrival anticipation.
- U.S markets may trade higher on lower US export.

### NCDEX Cotton Futures: Updated price as on 21<sup>st</sup> September 2011

Contract	+/-	Open	High	Low	Close
12-Feb	-9.3	776.9	776.9	766.0	766.0
12-Mar	-0.2	774.0	774.0	770.3	774.0
12-Apr	-5.1	766.5	772.0	760.0	762.0

Contract	Volume	Change	OI	Change
12-Feb	19	4	189	4
12-Mar	4	-	46	-
12-Apr	3250	-1351	7453	158

Spread	Feb-12	Mar-12	Apr-12
Basis	94.0	86.0	98.0
Feb-12	-	8.0	-4.0
Mar-12		-	-12.0
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 21<sup>st</sup> September 2011

Contract	+/-	Open	High	Low	Close
12-Mar	-2.2	777.1	783.7	775.2	778.5
12-Apr	-4.2	778.0	783.5	772.0	774.0

Contract	Volume	Change	OI	Change
12-Mar	136	-94	648	1
12-Apr	485	-106	1038	61

Spread	Mar-12	Apr-12
Basis	81.5	86.0
Mar-12	-	-4.5
Apr-12		-

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

**ICE Cotton Futures: 20/09/2011**

Contract	Open	High	Low	Close	Change
Oct-11	102.45	105.15	102.45	103.81	-0.27
Dec-11	105.00	107.30	103.86	105.41	-0.11
Mar-12	101.46	104.64	101.37	102.91	-0.04
May-12	100.35	102.92	100.35	101.78	0.08
Jul-12	99.50	101.85	99.50	100.92	0.16
Oct-12	99.55	99.55	99.55	99.55	-0.19

**Cotton Prices at Key Spot Markets**

Centre	Prices		Change
	21-09-11	20-09-11	
Kadi – Bt Cotton#	4600-4800	4650-4825	-25
Amravati – Vunni Mech-1#	4000-4200	4200-4600	-400
Ahmedabad – Shankar-6#	4000-4605	4000-4625	-20
Abhor – J-34*	3400	3750	-350
Muktsar – J-34*	3550	3800	-250

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

**Cotton Arrivals in Key Centers**

Centre	Arrivals		Change
	21-09-11	20-09-11	
Kadi –Bt Cotton	35	50	-15
Amravati –Vunni Mech-1	-	-	-
Ahmedabad – Shankar-6	3500	5000	-1500

Kadi-1 Truck-20 kgs

Amravati-1 Truck-100 kgs

Ahmedabad- in bags

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