

**Cotton Domestic Fundamentals:**

- Cotton prices remained mixed amid fresh arrivals in most of trading centers.
- However, with festival orders picking up, there has been a significant improvement in the demand for yarn and prices have started to head north.
- Sources added that yarn inventory has reached normal levels and in many spinning mills it is even less than normal, showing a rise in demand.
- Meanwhile, textile commissionerate under the ministry of textiles recorded renewed interest from yarn exporters and registered 97.7 million kg of orders in August, against 57.2 kg in July.
- India's cotton exports could rise 17%, or 1.4 million tonnes spurred by a record harvest, a weaker domestic currency and a freer trade policy.

**Weather Update**

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

**Cotton International Fundamentals:**

- Cotton futures fell for the 5<sup>th</sup> straight session on signs that slowing economic growth will curb demand for supplies from the U.S.
- Traders are worried about weak demand in the markets and may continue pull markets lower.
- Prices also weakened as China has reduced purchases by 13% in the first eight months of the year, compared with the same period in 2010.
- Cotton for December delivery slumped by 2.66 cents, or 2.4%, to \$1.0275 a pound on ICE Futures U.S.

**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 lower on weak demand and weak economy concerns.**

**NCDEX Cotton Futures: Updated price as on 22<sup>nd</sup> September 2011**

Contract	+/-	Open	High	Low	Close
12-Feb	-30.1	765.0	765.1	742.0	742.0
12-Mar	-23.1	764.0	764.0	749.1	749.1
12-Apr	-20.8	760.0	760.0	739.5	741.5

Contract	Volume	Change	OI	Change
12-Feb	32	13	182	-6
12-Mar	11	7	40	-6
12-Apr	6050	2800	7287	-163

Spread	Feb-12	Mar-12	Apr-12
Basis	108.0	100.9	108.5
Feb-12	-	7.1	-0.5
Mar-12	-	-	-7.6
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 22<sup>nd</sup> September 2011**

Contract	+/-	Open	High	Low	Close
12-Mar	-23.1	771.0	776.7	754.3	754.5
12-Apr	-22.8	768.1	771.6	751.1	751.5

Contract	Volume	Change	OI	Change
12-Mar	679	543	574	-74
12-Apr	937	446	1083	47

Spread	Mar-12	Apr-12
Basis	95.5	98.5
Mar-12	-	-3.0
Apr-12	-	-

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

**ICE Cotton Futures: 21/09/2011**

Contract	Open	High	Low	Close	Change
Oct-11	103.86	103.86	101.25	101.29	-2.52
Dec-11	105.30	106.56	102.75	102.75	-2.66
Mar-12	102.72	103.89	100.00	100.00	-2.91
May-12	102.30	102.30	98.91	98.91	-2.87
Jul-12	101.01	101.01	98.18	98.18	-2.74
Oct-12	99.55	99.55	99.55	99.55	-0.19

**Cotton Prices at Key Spot Markets**

Centre	Prices		Change
	22-09-11	21-09-11	
Kadi – Bt Cotton#	4700-4850	4600-4800	50
Amravati – Vunni Mech-1#	3600-3900	4000-4200	-300
Ahmedabad – Shankar-6#	4000-4500	4000-4605	-105
Abhor – J-34*	3400	3400	Unch
Muktsar – J-34*	3550	3550	Unch

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

**Cotton Arrivals in Key Centers**

Centre	Arrivals		Change
	22-09-11	21-09-11	
Kadi –Bt Cotton	20	35	-15
Amravati –Vunni Mech-1	-	-	-
Ahmedabad – Shankar-6	5000	3500	1500

Kadi-1 Truck-20 kgs

Amravati-1 Truck-100 kgs

Ahmedabad- in bags

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