

Cotton Domestic Fundamentals:

- Cotton prices ended lower at most trading centers as arrivals increased and demand remained dull.
- Cotton crop in India is expected to be a bumper crop due to good rains during the sowing.
- Meanwhile, about 140 cotton ginners in Haryana today called off their month-long strike which further decline prices as framers now could start to bring in more of their fresh crop.
- However, the Somanur Open-end Mills Association has announced indefinite strike from October 1, demanding ban on export of waste cotton.
- Separately, India agreed to support a scheme proposed by the European Union to boost textile exports from flood-ravaged parts of Pakistan with duty waivers.

Weather Update

- Dry weather conditions in the northern region of India. Scattered rain would occur of South A.P, interior Karnataka, North Tamil Nadu, South Madhya Maharashtra and Marathwada which may hinder crop pickings.

Cotton International Fundamentals:

- US Cotton futures finished lower amid reports of lower crop from Pakistan.
- Cotton futures for December delivery dropped 0.62 cent, or 0.6%, to 99.53 cents a pound.
- Futures ends lower after China's National Development and Reform Commission said in its report that China's 2011 cotton production will likely rise 7.5% to about 7.2 million metric tons.
- The increase in production has been attributed to a rise in cotton acreage to 5.2 million hectares, up 4.7%.

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 deteriorating from U.S and lower supplies from Pakistan.**

NCDEX Cotton Futures: Updated price as on 29th September 2011

Contract	+/-	Open	High	Low	Close
12-Feb	-4.5	730.0	733.0	727.4	730.0
12-Mar	-4.5	725.8	730.0	715.0	730.0
12-Apr	-3.5	724.2	731.0	719.1	723.7

Contract	Volume	Change	OI	Change
12-Feb	13	-17	147	-6
12-Mar	7	5	40	1
12-Apr	2506	-511	7265	24

Spread	Feb-12	Mar-12	Apr-12
Basis	132.0	132.0	138.3
Feb-12	-	0.0	-6.3
Mar-12		-	-6.3
Apr-12			-

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

MCX Cotton Futures: Updated price as on 29th September 2011

Contract	+/-	Open	High	Low	Close
12-Mar	-0.7	731.5	743.1	731.4	737.6
12-Apr	-2.4	735.0	743.7	730.1	736.1

Contract	Volume	Change	OI	Change
12-Mar	142	-310	447	-2
12-Apr	234	-199	1054	11

Spread	Mar-12	Apr-12
Basis	124.4	125.9
Mar-12	-	-1.5
Apr-12		-

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

ICE Cotton Futures: 28/09/2011

Contract	Open	High	Low	Close	Change
Oct-11	98.04	98.33	98.04	98.33	-0.52
Dec-11	100.14	101.00	99.16	99.53	-0.62
Mar-12	97.00	97.70	96.07	96.67	-0.41
May-12	95.72	96.50	94.89	95.60	-0.31
Jul-12	95.60	95.71	94.91	95.26	-0.06
Oct-12	94.42	94.42	94.42	94.42	-0.88

Cotton Prices at Key Spot Markets

Centre	Prices		Change
	29-09-11	28-09-11	
Kadi – Bt Cotton#	4625-4675	4700-4750	-75
Amravati – Vunni Mech-1#	3200-3600	3500-3800	-200
Ahmedabad – Shankar-6#	4000-4625	4000-4625	Unch
Abhor – J-34*	3500-3600	3700	-100
Muktsar – J-34*	3500-3600	3700	-100

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	29-09-11	28-09-11	
Kadi –Bt Cotton	55	25	30
Amravati –Vunni Mech-1	-	-	-
Ahmedabad – Shankar-6	7000	7000	Unch
Abohar	300	400	-100
Muktsar	100	100	Unch

Kadi-1 Truck-100 Qtls, Amravati-1 Truck-100 kgs, Ahmedabad, Abohar and Muktsar-Bales

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.