

**Cotton Domestic Fundamentals:**

- Cotton prices remained mixed amid persistent dull demand.
- The cotton production for the coming marketing season 2011-12 is forecast to be 355 lakh bales an increase by 9.2% from the previous year production at 325 lakh bales.
- However Cotton Association of India has projected the cotton production to be 363 lakh bales.
- As on 25th September 2011, sowing is over in around 120.33 lakh hectares as against around 110.66 lakh hectares corresponding period last year.
- Area increased as farmers sowed more cotton as returns were better compared to complete crops like Paddy, Jowar, Maize, Pulses, etc.

**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 higher spurred by some bargain buying at lows of the market.
- The key December cotton contract on ICE Futures US jumped 2.69 cents, or 2.7 percent, to finish at \$1.0222 a lb.
- Traders added that markets moved higher due to end-of-the week, end-of-the-month and end-of-the-quarter buying.
- However, weaker economy may continue to weaken commodities prices which also pull cotton prices lower.

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

**NCDEX Cotton Futures: Updated price as on 30<sup>th</sup> September 2011**

Contract	+/-	Open	High	Low	Close
12-Feb	8.0	738.0	738.0	738.0	738.0
12-Mar	-1.9	728.1	738.0	728.1	728.1
12-Apr	-2.7	729.0	737.8	720.2	721.3

Contract	Volume	Change	OI	Change
12-Feb	3	-10	145	-2
12-Mar	3	-4	40	-
12-Apr	3987	1481	7213	-48

Spread	Feb-12	Mar-12	Apr-12
Basis	112.0	121.9	128.7
Feb-12	-	-9.9	-16.7
Mar-12		-	-6.8
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 30<sup>th</sup> September 2011**

Contract	+/-	Open	High	Low	Close
12-Mar	-6.7	739.0	747.5	728.0	730.0
12-Apr	-2.6	736.9	749.0	731.0	734.0

Contract	Volume	Change	OI	Change
12-Mar	318	176	462	15
12-Apr	364	130	1058	4

Spread	Mar-12	Apr-12
Basis	120.0	116.0
Mar-12	-	4.0
Apr-12		-

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

**ICE Cotton Futures: 29/09/2011**

Contract	Open	High	Low	Close	Change
Oct-11	100.97	100.97	100.97	100.97	2.64
Dec-11	99.33	103.17	98.21	102.22	2.69
Mar-12	96.15	100.10	95.25	99.15	2.48
May-12	94.60	98.05	94.51	97.63	2.03
Jul-12	94.25	97.51	94.25	97.12	1.86
Oct-12	95.79	95.79	95.79	95.79	1.37

**Cotton Prices at Key Spot Markets**

Centre	Prices		Change
	30-09-11	29-09-11	
Kadi – Bt Cotton#	4500-4875	4625-4675	200
Amravati – Vunni Mech-1#	3300-3600	3200-3600	Unch
Ahmedabad – Shankar-6#	4000-4500	4000-4625	-125
Abhor – J-34*	3500	3500-3600	-100
Muktsar – J-34*	3500	3500-3600	-100

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

**Cotton Arrivals in Key Centers**

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

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

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