

Cotton Domestic Fundamentals:

- Cotton prices remained steady to firm at major trading centers as millers and exporters were buying at lows.
- Markets moved higher as harvest season may start only by the middle of November due to late arrival of monsoon this year has prolonged the cotton crop cycle.
- Meanwhile, powerloom weavers in Surat are worried over default in payment in the textile market ahead of Diwali festival.
- However, traders say that this Gujarat state has seen an increase in sowing area by over 3 lakh hectares at 2.98 million hectares in the current kharif season.
- Sources also added that State's production would rise by around 7 per cent to 11.3 million bales in 2011-12 as against 10.5 million bales in 2010-11.

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 and manage to recover some of last week's heavy losses.
- The uptrend in prices was supported by China started to buy US, Australian and Indian cotton.
- Prices also remained firm this week as US export sales report of this morning showed net sales of 222,700 running bales, of which China took 199,700 running bales.

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 better crop from U.S and China.**

NCDEX Cotton Futures: Updated price as on 03rd October 2011

Contract	+/-	Open	High	Low	Close
12-Feb	4.2	728.4	729.9	728.0	729.9
12-Mar	-	-	-	-	-
12-Apr	1.6	727.0	728.8	719.5	725.9

Contract	Volume	Change	OI	Change
12-Feb	5	-13	141	-1
12-Mar	0	-5	36	-1
12-Apr	1947	-100	7542	401

Spread	Feb-12	Mar-12	Apr-12
Basis	95.1	98.9	99.1
Feb-12	-	-3.8	-4.0
Mar-12		-	-0.2
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 03rd October 2011

Contract	+/-	Open	High	Low	Close
12-Mar	2.7	740.0	740.8	732.0	737.0
12-Apr	3.0	737.0	741.0	733.1	739.0

Contract	Volume	Change	OI	Change
12-Mar	105	8	456	-7
12-Apr	203	95	1094	37

Spread	Mar-12	Apr-12
Basis	88.0	86.0
Mar-12	-	2.0
Apr-12		-

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

ICE Cotton Futures: 30/09/2011

Contract	Open	High	Low	Close	Change
Oct-11	98.70	99.31	98.70	98.71	-2.26
Dec-11	102.40	103.00	99.55	100.19	-2.03
Mar-12	99.40	99.79	96.76	97.42	-1.73
May-12	98.29	98.76	95.93	96.03	-1.60
Jul-12	97.21	97.21	95.49	95.54	-1.58
Oct-12	94.74	94.74	94.74	94.74	-1.05

Cotton Prices at Key Spot Markets

Centre	Prices		Change
	02-10-11	01-10-11	
Kadi – Bt Cotton#	4650-4825	4650-4775	50
Amravati – Vunni Mech-1#	3500-4000	3000-3600	400
Ahmedabad – Shankar-6#	3750-4500	4000-4500	Unch
Abhor – J-34*	3675	3600	75
Muktsar – J-34*	3675	3600	75

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	02-10-11	01-10-11	
Kadi –Bt Cotton	50	50	Unch
Amravati –Vunni Mech-1	-	-	-
Ahmedabad – Shankar-6	8000	7000	Unch
Abohar	200	200	Unch
Muktsar	200	50	150

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.