

**Cotton Domestic Fundamentals:**

- Cotton prices remained mixed amid firm exports demand. Traders said that exporters were active as there was good demand from countries like China, Bangladesh, Thailand and Taiwan.
- Traders added that most of the mills are actively buying raw material which may support the current uptrend.
- However fresh arrivals may gather momentum in the next week which restrict upside.
- Meanwhile, ongoing strike by ginners in Haryana is likely to impact the cotton procurement in Haryana markets this season and if strike continues farmers in the state would be forced to sell their produce in neighboring markets of Punjab and Rajasthan.
- The Cotton Advisory Board has estimated production at close to 355 lakh bales for the current cotton season (October to September).

**Weather Update**

- Dry weather conditions in the northern region of India.
- Scattered rain would occur of Tamil Nadu. Rayalaseema, South Karnataka, Coastal A.P and Coastal Orissa which may hinder crop pickings.

**Cotton International Fundamentals:**

- Cotton futures finished lower Friday weighed down by light investor sales as traders looked toward release of a key government crop report next week.
- Pakistan now expects to produce about 12.5 million cotton bales this year, as its production target has scaled down by 2.5 million bales due to heavy rains and floods which caused huge damages to crops in Sindh.
- USDA has estimated that World cotton output is set to rise by 2-2.5 million tonnes by July next with the United States and India being the main contributors.

**Outlook: Domestic and International**

- **In the short term, domestic cotton prices move higher lower supply and higher demand.**
- **U.S markets may trade higher on lower crop outlook from ICAC.**

**NCDEX Kapas Futures: Updated price as on 10<sup>th</sup> October 2011**

Contract	+/-	Open	High	Low	Close
Feb-11	5.9	733.8	740.9	733.8	740.9
Mar-11	6.7	742.0	742.0	735.0	735.0
Apr-11	7.8	728.0	736.4	726.5	734.0

Contract	Volume	Change	OI	Change
12-Feb	4	1	142	-
12-Mar	20	16	35	-
12-Apr	3094	1490	6908	-659

Spread	Feb-12	Mar-12	Apr-12
Basis	129.1	135.0	136.0
Feb-12	-	-5.9	-6.9
Mar-12		-	-1.0
Apr-12			-

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

**MCX Kapas Futures: Updated price as on 10<sup>th</sup> October 2011**

Contract	+/-	Open	High	Low	Close
Mar-11	6.4	743.0	748.9	741.5	747.0
Apr-11	6.3	743.0	748.3	740.0	745.8

Contract	Volume	Change	OI	Change
12-Mar	83	26	517	-7
12-Apr	223	77	1088	-48

Spread	Mar-12	Apr-12
Basis	123.0	124.2
Mar-12	-	-1.2
Apr-12		-

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

**ICE Cotton Futures: 07/10/2011**

Contract	Open	High	Low	Close	Change
Oct-11	101.48	101.48	101.48	101.48	-0.77
Dec-11	102.79	103.64	101.35	101.98	-0.75
Mar-12	99.75	100.35	98.55	99.06	-0.69
May-12	98.50	98.63	98.00	98.31	-0.48
Jul-12	97.50	97.74	97.40	97.40	-0.23
Oct-12	95.81	95.81	95.81	95.81	-0.63

**Cotton Prices at Key Spot Markets**

Centre	Prices		Change
	10-10-11	08-10-11	
Kadi – Bt Cotton#	4250-4650	4500-4750	-100
Amravati – Vunni Mech-1#	3800-4300	3600-4100	200
Ahmedabad – Shankar-6#	4000-4700	4000-4625	75
Abhor – J-34*	3825	3825	Unch
Muktsar – J-34*	3825	3825	Unch

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

**Cotton Arrivals in Key Centers**

Centre	Arrivals		Change
	10-10-11	08-10-11	
Kadi –Bt Cotton	125	100	25
Amravati –Vunni Mech-1	-	-	-
Ahmedabad – Shankar-6	15000	15000	Unch
Abohar	600	400	200
Muktsar	200	100	100

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

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