

Cotton Domestic Fundamentals:

- Cotton prices remained mixed amid production estimates being quoted higher.
- Traders estimate is about 36.1 million bales versus Cotton Advisory Board Estimate at 35.5 million bales.

Cotton Domestic Futures Market

- NCDEX Kapas April 2012 contract finished significantly up at Rs. 749.5 per 20 kg, an increase of Rs. 13.9 per 20 kg over previous close price.
- The contract traded in the range of Rs. 740-751.8 per 20 kg during the session.
- Rise in open interest along with prices indicate that an uptrend is in place and is likely to be sustained.
- Volume of trade has increased to 4,014, up by 1,832 against previous trading day.

Weather Update

- Dry weather conditions in the northern region of India.
- Scattered rain would occur of Coastal Orissa, south Chhattisgarh and south Maharashtra which may hinder crop pickings.

Cotton International Fundamentals:

- Cotton futures remained mixed on Tuesday.
- USDA has reported that US cotton crop condition is as follows: - 42% very poor/poor condition, 28% fair condition and, 30% good/excellent condition. US cotton crop progress-90 percent bolls open, 26 percent harvested.
- Fears remain among traders that rains in Texas could slow harvest progress this week
- Cotton for December delivery gained 0.13 cents to USc 103.47 on ICE Futures U.S. in New York.

Outlook: Domestic and International

- **In the short term, domestic cotton prices move higher supported by reports of higher exports. In the longer run markets sentiments may be weak on higher production estimates.**
- **U.S markets may trade higher on weaker crop conditions from USDA.**

NCDEX Kapas Futures: Updated price as on 12th October 2011 (Prices in Rs/20/kg)

Contract	+/-	Open	High	Low	Close
Feb-11	15.4	748.0	759.8	748.0	759.0
Mar-11	19.3	754.9	754.9	754.9	754.9
Apr-11	13.9	740.0	751.8	740.0	749.5

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
12-Feb	11	2	143	3
12-Mar	1	1	35	-
12-Apr	4014	1832	7075	214

Spread	Feb-12	Mar-12	Apr-12
Basis	111.0	115.1	120.5
Feb-12	-	-4.1	-9.5
Mar-12		-	-5.4
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 12th October 2011 (Prices in Rs/20/kg)

Contract	+/-	Open	High	Low	Close
Mar-11	14.4	752.0	764.6	752.0	762.9
Apr-11	14.5	750.0	764.3	750.0	763.0

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
12-Mar	281	142	526	12
12-Apr	602	240	1063	-26

Spread	Mar-12	Apr-12
Basis	107.1	107.0
Mar-12	-	0.1
Apr-12		-

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

MCX Cotton Futures (29 mm Variety): Updated price as on 12th October 2011 (Prices in Bales)

Contract	+/-	Open	High	Low	Close
Oct-11	350	18660	18980	18640	18960
Dec-11	210	17960	18130	17950	18120
Jan-12	220	18070	18220	18020	18220

***ICE Cotton Futures: As on 11/10/2011**

Contract	Open	High	Low	Close	Change
Dec-11	103.50	104.00	102.69	103.47	0.13
Mar-12	100.60	101.05	99.95	100.73	0.27
May-12	99.50	99.91	99.10	99.73	0.03
Jul-12	98.59	98.78	98.42	98.73	-0.08
Oct-12	97.07	97.07	97.07	97.07	-0.08
Dec-12	94.12	94.36	93.46	94.36	-0.08

*Prices in USc

Cotton Prices at Key Spot Markets

Centre	Prices		Change
	12-10-11	11-10-11	
Kadi – Bt Cotton#	4375-4650	4375-4700	-50
Amravati – Vunni Mech-1#	4100-4500	4100-4500	Unch
Ahmedabad – Shankar-6#	4000-4700	4000-4675	25
Abhor – J-34*	3860	3815	45
Muktsar – J-34*	3875	3825	50

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	12-10-11	11-10-11	
Kadi –Bt Cotton	150	125	25
Amravati –Vunni Mech-1	-	-	-
Ahmedabad – Shankar-6	17000	15000	2000
Abohar	600	800	-200
Muktsar	200	200	Unch

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

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