

Cotton Domestic Fundamentals:

Cotton prices firm as arrivals decreased on Saturday. Demand on both domestic and export front remained dull and may pick up after Diwali. However, millers and exporters may continue to buy at lower levels and this may restrict downside. Meanwhile, Indian traders have signed contracts to export up to 1.5 million bales of cotton from the new season's crop which may also restrict downside.

Cotton Domestic Futures Market:

NCDEX Kapas April 2012 contract finished firm against previous close price. Volume has declined to 1,386 lower by 1,193 against previous trading day and OI has declined to 7848, which supports the gain.

Outlook: Domestic and International

In the short term, domestic cotton prices move lower on higher production estimates and weak demand.

U.S markets may trade range bound to weak due to better U.S crop condition.

NCDEX Kapas Futures: as on 22nd October 2011 (Prices in Rs/20/kg)

Contract	+/-	Open	High	Low	Close
Feb-11	0	738.00	738.00	736.10	737.00
Mar-11	0	0	733.10	732.00	732.00
Apr-11	1.6	730.00	738.60	728.50	733.60

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
12-Feb	0	-2	142	-1
12-Mar	0	0	36	0
12-Apr	1,386	-1,193	7848	-164

Spread

	Feb-12	Mar-12	Apr-12
Basis	3455.5	3460.5	3458.9
Feb-12		-5	-3.4
Mar-12			1.6
Apr-12	3455.5	3460.5	3458.9

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

MCX Kapas Futures: as on 22nd October 2011 (Prices in Rs/20/kg)

Contract	+/-	Open	High	Low	Close
Mar-11	+1.70	743.00	747.80	742.50	746.00
Apr-11	+2.00	742.30	747.90	742.30	746.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
12-Mar	51	-54	512	3
12-Apr	87	-73	1287	1

Spread

	Mar-12	Apr-12
Basis	3446.5	3446
Mar-12		0.5
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 22nd October 2011 (Prices in Bales)

Contract	+/-	Open	High	Low	Close
Oct-11	-20	18840	18860	18820	18830
Dec-11	-30	18080	18080	18040	18050
Jan-12	-20	17960	17980	17940	17940

Cotton Prices at Key Spot Markets

Centre	Prices		Change
	22-10-11	21-10-11	
Kadi – Bt Cotton#	4600-4825	4650-4775	+50
Amravati – Vunni Mech-1#	4100-4400	4100-4400	Unch
Ahmedabad – Shankar-6#	3760-4625	3760-4550	+75
Abhor – J-34*	3780-3790	3740	+50
Muktsar – J-34*	3780-3790	3740	+50

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	22-10-11	21-10-11	
Kadi –Bt Cotton	150	150	Unch
Amravati –Vunni Mech-1	100	100	Unch
Ahmedabad – Shankar-6	17000	20000	-3000
Abohar	1000	1100	-100
Muktsar	300	350	-50

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

Cotton Association of India Spot Rates: As on 22nd October 2011

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy
Bengal Deshi (RG)/ Assam Comilla	Below 22mm	5.0 - 7.0	15	37000
Bengal Deshi (SG)	Below 22mm	5.0 - 7.0	15	37300
V-797	22mm	4.5 -5.9	19	24500
J-34	25mm	3.5 - 4.9	23	33500
NHH-44	25mm	3.5 - 4.9	22	32500
LRA-5166	27mm	3.5 - 4.9	24	34000
H-4/ MECH-1	28mm	3.5 - 4.9	25	36000
Shankar-6	29mm	3.5 - 4.9	26	39000

Bunny/ Brahma	31mm	3.5 - 4.9	27	39200
MCU-5/ Surabhi	33mm	3.3 - 4.5	28	40500
DCH-32	35mm	2.8 - 3.6	31	49500

Cotlook Index: As on 21/10/2011

Cotlook Indices	Cents/Pound	Change
A-Index	106.90	-2.75

China Cotton Index: As on 22/10/2011(weekly closed)

Index	RMB/Ton	Change
CCIndex(328)	-	-
CCIndex(527)	-	-
CCIndex(229)	-	-

RMB- Renminbi, 1RMB= 0.156769 \$U.S.

USDA Cotton Spot rates: As on 21/10/2011

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	96.35	98.10	294
North Delta	95.60	96.60	0
South Delta	95.60	96.60	1,231
East TX-OK	93.75	96.25	3,751
West Texas	93.25	95.50	942
Desert SW	93.10	99.10	200
SJ Valley	94.10	103.50	0

***ICE Cotton Futures: As on 21/10/2011**

Contract	Open	High	Low	Close	Change
Dec-11	96.85	98.8	96.47	97.19	+0.33
Mar-12	95.34	97.15	95	95.53	+0.11
May-12	95.64	96.56	94.9	95.11	-0.12
Jul-12	95.46	96.29	94.5	94.73	-0.23
Oct-12	93.61	93.61	93.61	93.61	-1.44
Dec-12	93.13	93.16	92.04	92.28	+0.17

***Prices in USc**
Pakistan Cotton Spot rates: As on 21/10/2011

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.324 Kgs	6100	130	6230
Equivalent	40 Kgs	6537	130	6667

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