

Cotton Domestic Fundamentals:

Cotton prices steady to firm as exporters demand remained firm. Markets were also supported by as production estimates could go down below the forecast of 355 lakh bales. Meanwhile traders association Cotton Association of India has projected the cotton production to be 363 lakh bales. Markets were may weaken as arrivals are expected to increase in the coming week.

Cotton Domestic Futures Market:

NCDEX Kapas April 2012 contract finished weak against previous close price. The contract traded in the range of Rs. 735-744.7 per 20 kg during the session. Rise in open interest amidst falling prices suggest that the new money is coming through the short sellers and a downtrend is in place. Volume has not supported today's downtrend.

Cotton International Fundamentals

Cotton futures finished end marginally higher as market participants considered Europe's initiatives to tackle its regional debt crisis. The key December cotton contract on ICE Futures US added 0.05 cent to close at \$1.0437 per lb. China has restricted cotton imports preferred to buy from growers to keep them strong. Due to bad weather, production was down 9.9 in tonnes. Imports were limited as mills showed restricted consumption and the US consumption in 2011-12. Meanwhile, Brazil production shut up to 1.9 million tonnes from 1.2 million tonnes a couple of years back.

Outlook: Domestic and International

In the short term, domestic cotton prices move range bound to weak on higher production estimates, weak demand and fresh arrival expectations.

U.S markets may trade range bound to firm due concerns over U.S crop condition and Eurozone debt crisis may reduce demand of cotton.

NCDEX Kapas Futures: as on 31st October 2011 (Prices in Rs/20/kg)

Contract	+/-	Open	High	Low	Close
Feb-11	-9.5	751.0	751.0	742.0	742.6
Mar-11	-	-	-	-	-
Apr-11	-8.0	742.0	744.7	735.0	736.8

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
12-Feb	33	27	149	8
12-Mar	0	-1	36	-
12-Apr	3084	-629	8031	255

Spread

	Feb-12	Mar-12	Apr-12
Basis	158.4	-	164.2
Feb-12	-	-	-5.8
Mar-12	-	-	-
Apr-12	-	-	-

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

MCX Kapas Futures: as on 31st October 2011 (Prices in Rs/20/kg)

Contract	+/-	Open	High	Low	Close
Mar-11	-5.0	760.0	760.0	750.0	751.5
Apr-11	-5.4	751.0	756.0	747.9	749.6

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
12-Mar	149	36	552	34
12-Apr	344	-101	1303	56

Spread

	Mar-12	Apr-12
Basis	149.5	151.4
Mar-12	-	-1.9
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 31st October 2011 (Prices in Bales)

Contract	+/-	Open	High	Low	Close
Oct-11	80	19250	19350	19100	19340
Dec-11	-110	18100	18210	18060	18060
Jan-12	-140	18120	18260	18050	18050

Cotton Prices at Key Spot Markets

Centre	Prices		Change
	31-10-11	29-10-11	
Kadi – Bt Cotton#	4550-4900	4600-4850	50
Amravati – Vunni Mech-1#	4300-4700	Closed	-
Ahmedabad – Shankar-6#	4260-4750	Closed	-
Abhor – J-34*	3725	3725	Unch
Muktsar – J-34*	3725	3725	Unch

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	31-10-11	29-10-11	
Kadi –Bt Cotton	200	125	75
Amravati –Vunni Mech-1	300	Closed	-
Ahmedabad – Shankar-6	20000	Closed	-
Abohar	1200	750	450
Muktsar	200	200	Unch

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

Cotton and Cotton Seed Prices at Other Centers: As on 31/10/2011

Commodity	State	Market Center	Arrivals	Variety	Minimum Price	Maximum Price	Modal Price
			Tonnes		Rs/Quintal		
Cotton	Andhra Pradesh	Allagadda	NR	Cotton (Unginned)	3600	3800	3700
		Asifabad	49.3	Cotton (Unginned)	4000	4080	4050
		Khammam	952	Cotton (Unginned)	3800	4150	3975
		Macharla	0.1	Other	3400	3600	3550
		Martur	NR	Desi	3200	3600	3400
		Pidugurala	0.1	Cotton (Unginned)	3400	3600	3500
		Proddatur	NR	MCU 5	4200	4400	4300

	Tadikonda	0.1	Cotton (Unginned)	3000	3200	3100
Gujarat	Bodeli	100	Shanker 6 (B) 30mm Fine	4700	4761	4751
	Dhoraji	93.9	H.B (Unginned)	3875	5005	4675
	Rajula	10	Shanker 6 (B) 30mm Fine	4650	4830	4740
	Una	38	Shanker 6 (B) 30mm Fine	4410	4750	4550
	Unava	770	Other	4255	5005	4800
	Vakener	200	Other	4375	4785	4515
	Bijapur	52	LH-1556	2200	4511	4060
	Davangere	115	MCU 5	3220	4620	3950
	Gokak	80	Laxmi (Ginned)	4309	4589	4489
	Gundlupet	5	Other	2800	2800	2800
	Haveri	703	GCH	3869	4599	4209
	Honnali	11	Varalakshmi (Ginned)	4100	4100	4100
	Hunsur	16	Other	3300	3300	3300
	Nargunda	27	GCH	4100	4100	4100
	Raichur	259	F-1054	3975	4439	4165
	Ranebennur	723	GCH	2189	4612	3989
	Santhesargur	230	Krishna	3300	3900	3500
	Savanur	103	GCH	3739	4431	4085
	Sindhanur	5	F-1054	4446	4446	4446
Madhya Pradesh	Bhikangaon	NR	Other	4600	4750	4675
	Manawar	8	Other	4000	4500	4400
	Sailana	30	Other	4451	6003	5500
	Sonsar	80.6	H4	4400	4401	4400
Punjab	Ahmedgarh	8.1	American	4300	4545	4500
Rajasthan	Anoopgarh	98.9	American	4131	4200	4165
	Gajsinghpur	694	American	4095	4341	4275

		Jaitsar	221	American	4000	4200	4190
		Padampur	66.1	American	3600	4248	4181
		Raisingh Nagar	48.5	American	3880	4268	4200
		Sri Karanpur	48.2	American	4165	4280	4201
		Sumerpur	58.2	Other	3650	4485	4400
	Tamil Nadu	Dindigul	NR	Other	3500	4000	3750
		Salem	NR	Cotton (Ginned)	4000	4500	4250
		Tiruchengode	NR	LRA	3800	4100	3950
		Usilampatty	NR	LRA	2520	2820	2670
		Villupuram	6	Other	3698	3975	3930
Cotton Seed	Uttar Pradesh	Muzzafarnagar	5	Other	2050	2250	2150

Cotton Association of India Spot Rates: As on 31/10/2011

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy
Bengal Deshi (RG)/ Assam Comilla	Below 22mm	5.0 - 7.0	15	36900
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	32700
NHH-44	25mm	3.5 - 4.9	22	32800
LRA-5166	27mm	3.5 - 4.9	24	34300
H-4/ MECH-1	28mm	3.5 - 4.9	25	36300
Shankar-6	29mm	3.5 - 4.9	26	39800
Bunny/ Brahma	31mm	3.5 - 4.9	27	39400
DCH-32	35mm	2.8 - 3.6	31	49000

Cotlook Index: As on 28/10/2011

Cotlook Indices	Cents/Pound	Change
A-Index	112.6	3.4

China Cotton Index: As on 31/10/2011

Index	RMB/Ton	Change
CCIndex(328)	19409	-23
CCIndex(527)	16872	Unch
CCIndex(229)	20800	-37

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

USDA Cotton Spot rates: As on 28/10/2011

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	104.37	106.12	Nil
North Delta	103.37	104.37	73
South Delta	103.37	104.37	619
East TX-OK	100.25	102.75	4,194
West Texas	100.00	102.25	5,015
Desert SW	100.37	106.37	Nil
SJ Valley	101.37	110.77	Nil

Spot quotations are for cotton equal to the official standards, net weight, in mixed lots. Upland quotations are FOB car/truck, which includes compression and any brokerage charges. The upland base quality is color 41, leaf grade 4, staple 34 (1.05 to 1.07), mike 3.5, 3.6 and 4.3 to 4.9, strength 26.5 to 28.4 grams per tex and uniformity 80.5 to 81.4

***ICE Cotton Futures: As on 28/10/2011**

Contract	Open	High	Low	Close	Change
Dec-11	104.34	105.05	102.59	104.37	0.05
Mar-12	102.07	102.71	100.43	102.50	0.19
May-12	101.50	101.84	100.00	101.68	0.21
Jul-12	100.00	101.00	99.21	100.84	0.47
Oct-12	98.48	98.48	98.48	98.48	-0.61
Dec-12	96.49	97.89	96.20	97.84	0.48

*Prices in USc

Pakistan Cotton Spot rates: As on 28/10/2011 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.324 Kgs	5750	130	5750
Equivalent	40 Kgs	6162	130	6192

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