

Cotton Domestic Fundamentals:

Cotton prices remained steady to weak as demand from exporters and millers remained weak. Market sentiments were also influenced by higher arrivals in the markets. This will lead to higher export demand and may support prices at lower levels. Cotton exports have reached 15 lakh bales since October 01st 2011 and the number will rise in November due to demand from China, Pakistan, Bangladesh and some Southeast Asian countries. Arrivals have declined from 25 lakh bales in October 2010 to 12 lakh bales October 2011 due to late rains in the growing regions. Meanwhile, Directorate General of Foreign Trade (DGFT) has decided to review all export incentives in the technical textile sector before April for a possible recall of export subsidies.

Cotton Domestic Futures Market:

NCDEX Kapas April 2012 contract finished lower by 0.57 per cent against previous settlement. 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 of trade has supported today's downtrend.

Cotton International Fundamentals

Cotton futures finished lower as dollar continues to remain firm. Markets remained lower many buyers were away from the market due to lack of buying interest as they have enough stock to meet the needs including export consignments. Markets sentiments were also affected on speculative sales as worries over the protracted Eurozone debt crisis. However, millers and exporters were buying at lower levels. The markets will be awaiting USDA report on US cotton weekly export sales. Markets sentiments also remained weak after ICAC report that world surplus will 2.3 million tonnes compared to 1.9 million tonnes. Cotton December contract fell 1.2% to close at 98.34 cents a pound.

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 weak on firm dollar and concerns over Eurozone crisis.

**NCDEX Kapas Futures: as on 03rd November 2011
(Prices in Rs/20/kg)**

Contract	+/-	Open	High	Low	Close
Feb-11	-7.8	745.9	745.9	735.0	735.7
Mar-11	-17.8	730.1	730.1	730.1	730.1
Apr-11	-4.2	732.0	735.9	726.5	732.0

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
12-Feb	10	6	151	5
12-Mar	1	-	36	-
12-Apr	3434	977	8562	341

Spread	Feb-12	Mar-12	Apr-12
Basis	155.3	160.9	159.0
Feb-12	-	-5.6	-3.7
Mar-12		-	1.9
Apr-12			-

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

**MCX Kapas Futures: as on 03rd November 2011
(Prices in Rs/20/kg)**

Contract	+/-	Open	High	Low	Close
Mar-11	-2.4	749.4	751.0	743.5	748.9
Apr-11	-3.3	746.0	750.0	740.0	745.7

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
12-Mar	156	35	571	515
12-Apr	402	148	1377	41

Spread	Mar-12	Apr-12
Basis	142.1	145.3
Mar-12	-	-3.2
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 03rd November 2011 (Prices in Bales)

Contract	+/-	Open	High	Low	Close
Dec-11	-130	18210	18210	18010	18070
Jan-12	-110	18230	18230	18070	18100
Mar-12	40	18400	18550	18370	18500

Cotton Prices at Key Spot Markets

Centre	Prices		Change
	03-11-11	02-11-11	
Kadi – Bt Cotton#	4700-4900	4650-4950	-50
Amravati – Vunni Mech-1#	4300-4600	4300-4600	Unch
Ahmedabad – Shankar-6#	4210-4700	4260-4760	-60
Abhor – J-34*	3580	3680-3685	-105
Muktsar – J-34*	3585	3680-3685	-100

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	03-11-11	02-11-11	
Kadi –Bt Cotton	200	175	25
Amravati –Vunni Mech-1	600	400	200
Ahmedabad – Shankar-6	20000	20000	Unch
Abohar	NR	1300	-
Muktsar	200	300	-100

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

Prices of Cotton, Cotton Seed, Lint and Jute at Other Centers: As on 03/11/2011

Commodity	State	Market Center	Arrivals	Variety	Minimum Price	Maximum Price	Modal Price
			Tonnes		Rs/Quintal		
Cotton	Andhra Pradesh	Adilabad	518.3	Cotton (Unginned)	4000	4170	4085
		Adoni	549.2	Kapas (Adoni)	4000	4636	4350
		Asifabad	189.9	Cotton (Unginned)	4080	4200	4100
		Badepalli	141.8	Desi	3819	4212	4059
		Bhainsa	542.5	Cotton (Unginned)	4150	4350	4200
		Chilakaluripet	0.1	Other	3000	3000	3000
		Choppadandi	100.4	Cotton (Unginned)	3700	4140	4100
		Khammam	632	Cotton (Unginned)	3800	4150	3950
		Macharla	0.1	Other	3450	3700	3650
		Martur	NR	Desi	3000	3200	3100
		Proddatur	NR	MCU 5	4300	4400	4350
		Sattenapalli	0.1	MCU 5	3400	4000	3500
	Gujarat	Amod	NR	Shanker 6 (B) 30mm Fine	4500	4550	4525

		Babra	110	Shanker 6 (B) 30mm Fine	4175	4820	4810
		Bagasara	50	Other	3750	4830	4290
		Balasinor	NR	Other	4500	4650	4650
		Bhavnagar	48.6	Other	4460	4775	4615
		Bodeli	130	Shanker 6 (B) 30mm Fine	4830	5101	4860
		Dhandhuka	23.3	Shanker 6 (B) 30mm Fine	4630	4815	4745
		Dhoraji	65.5	H.B (Unginned)	4005	4775	4650
		Halvad	312.86	Other	4505	4825	4725
		Himatnagar	35.4	Other	4535	4805	4670
		Jepur Pavi	12.5	Shanker 6 (B) 30mm Fine	4901	5011	4950
		Jetpur	122.2	Cotton (Unginned)	2605	4805	4650
		Junagadh	29.4	Other	4000	4805	4400
		Kadi	30	Other	4670	4865	4750
		Modasa	4.5	Other	4550	4750	4650
		Morbi	152.3	Other	3000	4880	3940
		Palitana	1200	Other	3750	4750	4250
		Rajula	40	Shanker 6 (B) 30mm Fine	4300	4720	4510
		Una	42	Shanker 6 (B) 30mm Fine	4525	4750	4700
		Unava	515	Other	4255	4840	4770
		Vakener	150	Other	4375	4635	4540
	Haryana	Adampur	365.4	American	3285	4315	4265
		Bhattu Kalan	125.6	American	4265	4956	4728
		Ellanabad	368.9	American	3870	4350	4325
		Fatehabad	389	American	3400	4330	4000
		Kalayat	874	American	3500	4225	4000
		Tohana	410	Other	4355	4682	NR
		Uchana	403.6	American	3051	4240	4140
	Karnataka	Arasikere	9	Varalakshmi (Ginned)	3600	3600	3600
		Belur	38	H-4(A) 27mm Fine	3500	3600	3500
		Bijapur	61	LH-1556	1503	4531	4000
		Chamaraj Nagar	12	Other	3000	3500	3200
		Davangere	78	MCU 5	3100	4555	3980
		Dharwar	2	Varalakshmi (Ginned)	3009	4529	3769
		Hubli	32	GCH	3009	4474	4189

		Kadur	10	Other	4808	4808	4808
		Kudchi	6	Varalakshmi (Ginned)	3900	4100	4000
		Laxmeshwar	NR	GCH	4077	4077	4077
		Nanjangud	40	Other	3040	4000	4000
		Nargunda	85	Jaydhar	3100	3100	3100
		Raichur	246	F-1054	4025	4469	4211
		Ramdurga	4	R-51 (Ginned)	3600	4369	4000
		Ranebennur	113	GCH	2840	4534	3969
		Santhesargur	377	Krishna	3300	3900	3500
		Savanur	17	GCH	3739	4490	4115
		Shimoga	92	LD-327	3685	4300	3992
		Shorapur	6	Hampi (Ginned)	4077	4312	4256
	Madhya Pradesh	Anjad	150.7	H4	4000	4710	4625
		Barwani	75.5	H4	4000	4700	4400
		Khargone	969	Other	4400	4783	4600
		Khetia	89.4	H4	4435	4700	4568
		Kukshi	74.2	Desi	4350	4600	4475
		Lahorda	0.3	H4	4511	4511	4511
		Pandhurna	35	Other	4450	4475	4462
		Sailana	11.5	DCH-32 (Ginned)	5002	5073	5050
		Sendhwa	330	H4	4000	4770	4385
		Sonsar	94.1	H4	4000	4461	4400
	Maharashtra	Akot	4.5	H-4(A) 27mm Fine	4595	4620	4613
		Arvi	17.5	Other	4351	4451	4425
		Chalisingaon	7	Other	4200	4500	4400
		Parbhani	20	Other	4625	4640	4630
	Punjab	Abohar	713.5	American	4020	4320	4285
		Ahmedgarh	10	American	4250	4460	4380
		Bareta	75.4	Other	4040	4350	4290
		Dhuri	0.2	American	4200	4300	4200
		Jaitu	25	Other	3300	4420	4395
		Malout	260	Other	4000	4360	4340
		Raman	209	Other	3700	4310	4250
		Sangrur	1.8	American	4050	4250	4225
		Tapa	20	American	3780	4365	4100
	Rajasthan	Anoopgarh	121	American	3905	4190	4048
		Gajsinghpur	921	American	4018	4237	4175
		Goluwala	897	American	4000	4334	4300
		Hanumangarh	534.3	American	4100	4489	4470
		Jaitsar	620	American	3950	4164	4125
		Padampur	103.5	American	3950	4185	4119
		Pilli Banga	288.4	American	3925	4300	4150
		Raisingh Nagar	79	American	3986	4185	4129
		Rawatsar	159.6	Desi	4931	5152	5140
		Sadulshahar	102.2	American	3600	4330	4222
		Sangriya	1946	Other	3600	4370	4280

		Sri Karanpur	78.4	American	4242	4317	4300
		Sumerpur	78.8	Other	3300	4315	4200
	Tamil Nadu	Annur	NR	Other	4960	5020	4990
		Salem	NR	DCH-32 (Ginned)	4000	4500	4250
		Usilampatty	NR	LRA	2520	2820	2670
		Villupuram	3	Other	3272	3749	3500
Jute	Andhra Pradesh	Bobbili	0.2	Jute	1800	2000	1900
	Assam	Bohorihat	80	TD-5	1625	2025	1825
		Howly	4	Other	1600	1850	1750
		Kharupetia	285	Other	800	875	850
	Gujarat	Vakener	0.05	Other	990	990	990
	West Bengal	Baxirhat	10	TD-5	2100	2175	2125
		Beldanga	100	TD-5	1850	1950	1900
		Bethuadahari	120	TD-5	1795	1810	1800
		Coochbehar	65	TD-5	2075	2125	2100
		Islampur	75	TD-5	2050	2130	2100
		Jiaganj	95	TD-5	1800	1900	1850
		Kalna	18	TD-5	2000	2100	2040
		Mathabhanga	20	TD-5	2115	2135	2125
		Pundibari	57.5	TD-5	2075	2125	2100
		Raiganj	70	TD-5	1850	1950	1900
		Samsi	2	Jute	1950	2050	2000
		Toofanganj	5	TD-5	2100	2150	2125
Lint	Karnataka	Annigeri	31	Jaydhar	7500	9000	8000
		Nargunda	18	Jaydhar	5800	6000	5900
Cotton Seed	Gujarat	Mansa	184.5	Other	4100	4875	4275

Cotton Association of India Spot Rates: As on 03/11/2011

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy
Bengal Deshi (RG)/ Assam Comilla	Below 22mm	5.0 - 7.0	15	37400
Bengal Deshi (SG)	Below 22mm	5.0 - 7.0	15	37800
V-797	22mm	4.5 - 5.9	19	24500
J-34	25mm	3.5 - 4.9	23	31900
H-4/ MECH-1	28mm	3.5 - 4.9	25	36000
Shankar-6	29mm	3.5 - 4.9	26	39200
Bunny/ Brahma	31mm	3.5 - 4.9	27	39000
MCU-5/ Surabhi	33mm	3.3 - 4.5	28	40000
DCH-32	35mm	2.8 - 3.6	31	49000

Cotlook Index: As on 02/11/2011

Cotlook Indices	Cents/Pound	Change
A-Index	108.85	-2.15

China Cotton Index: As on 03/11/2011

Index	RMB/Ton	Change
CCIndex(328)	19301	-26
CCIndex(527)	16791	-40
CCIndex(229)	20673	-49

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

USDA Cotton Spot rates: As on 02/11/2011

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	98.34	100.09	Nil
North Delta	97.34	98.34	Nil
South Delta	97.34	98.34	Nil
East TX-OK	94.00	96.75	845
West Texas	94.00	96.50	3,126
Desert SW	94.84	100.84	Nil
SJ Valley	95.84	105.24	600

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 02/11/2011**

Contract	Open	High	Low	Close	Change
Dec-11	99.50	100.70	98.00	98.34	-1.20
Mar-12	98.50	99.90	97.25	97.60	-0.95
May-12	98.00	99.53	97.11	97.48	-0.74
Jul-12	97.75	99.07	96.81	97.33	-0.74
Oct-12	97.61	98.55	97.61	97.90	2.02
Dec-12	96.50	96.50	94.46	95.49	0.01

*Prices in USc

Pakistan Cotton Spot rates: As on 03/11/2011 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.324 Kgs	5450	130	5580
Equivalent	40 Kgs	5841	130	5971

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