

Cotton Domestic Fundamentals:

Cotton prices remained mixed as arrivals remain higher. Export and millers demand remained weak. Meanwhile, traders and participants will be looking forward to the Cotton Advisory Board (CAB) meeting on November 15th 2011 during which the CAB will review demand-supply estimates. Total arrival in the country was 95,000 bales higher compared to 93,000 bales yesterday. Meanwhile, Gujarat is expected to surpass previous year's production estimates. Meanwhile, the World Trade Organization (WTO) data showed that India registered a sharp drop of over 6 per cent in apparel exports during 2010 and was the only country to have seen a dip in exports among major clothing exporters during the year.

Cotton Domestic Futures Market:

NCDEX Kapas April 2012 contract finished firm against previous close. Falling open interest and rising prices is indicating that the short sellers are covering their positions and the upmove will not be sustained unless new buyers enter the market. Volume of trade has not supported today's uptrend.

Cotton International Fundamentals

Cotton futures remained mixed with December contract ending lower and the rest ending higher. December contract was lower after the International Cotton Advisory Committee warned of slowing global cotton demand. ICAC added that slowdown in economic growth in 2011 and 2012 will affect consumption of textile products, and therefore demand for cotton. Markets sentiments may also remain weak as global production was forecast to increase to 26.9 million tonnes in the 2012-12 season, up 8% from the previous marketing season. This might create a surplus of stocks. December contract also slipped as USDA weekly sales report suggested a slowdown of cotton sales to 170,930 bales from a week earlier. Cotton futures for December delivery declined 0.2% to settle at 98.12 cents a pound on ICE Futures.

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 weak fiber sales and lower consumption.

**NCDEX Kapas Futures: as on 04th November 2011
(Prices in Rs/20/kg)**

Contract	+/-	Open	High	Low	Close
Feb-11	1.4	750.8	750.8	741.1	742.0
Mar-11	20.1	750.2	750.2	750.2	750.2
Apr-11	1.9	735.0	738.0	732.5	734.1

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
12-Feb	10	-	154	3
12-Mar	2	1	36	-1
12-Apr	1888	-1547	8496	-71

Spread	Feb-12	Mar-12	Apr-12
Basis	146.5	138.3	154.4
Feb-12	-	8.2	-7.9
Mar-12		-	-16.1
Apr-12			-

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

**MCX Kapas Futures: as on 04th November 2011
(Prices in Rs/20/kg)**

Contract	+/-	Open	High	Low	Close
Mar-11	3.0	752.0	752.5	749.0	751.2
Apr-11	2.7	747.5	750.4	745.6	748.0

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
12-Mar	102	-54	572	1
12-Apr	134	-268	1366	-11

Spread	Mar-12	Apr-12
Basis	137.8	141.0
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 04th November 2011 (Prices in Bales)

Contract	+/-	Open	High	Low	Close
Dec-11	-30	18130	18170	18050	18050
Jan-12	-20	18150	18180	18060	18090
Mar-12	-	18550	18600	18480	18500

Cotton Prices at Key Spot Markets

Centre	Prices		Change
	04-11-11	03-11-11	
Kadi – Bt Cotton#	4700-4900	4700-4900	Unch
Amravati – Vunni Mech-1#	4500-4700	4300-4600	100
Ahmedabad – Shankar-6#	4260-4625	4210-4700	-75
Abhor – J-34*	3590	3580	5
Muktsar – J-34*	3590	3585	5

*-Rs/maund, #-Rs. qtl

Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	04-11-11	03-11-11	
Kadi –Bt Cotton	200	250	-50
Amravati –Vunni Mech-1	600	600	Unch
Ahmedabad – Shankar-6	20000	20000	Unch
Abohar	2000	NR	-
Muktsar	250	200	50

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

Prices of Cotton, Cotton Seed and Jute at Other Centers: As on 04/11/2011

Commodity	State	Market Center	Arrivals	Variety	Minimum Price	Maximum Price	Modal Price
			Tonnes		Rs/Quintal		
Cotton	Andhra Pradesh	Adilabad	678.2	Cotton (Unginned)	4000	4220	4110
		Alur	0.1	Desi	3000	3000	3000
		Asifabad	175.7	Cotton (Unginned)	4000	4180	4100
		Bhainsa	271.1	Cotton (Unginned)	4150	4300	4200
		Choppadandi	94.8	Cotton (Unginned)	3700	4150	4100
		Gajapathinagaram	10	CO2 (Ginned)	3000	3100	3050
		Kuber	12.9	Cotton (Unginned)	4221	4251	4251
		Macharla	0.1	Other	3400	3800	3450
		Proddatur	NR	MCU 5	4300	4400	4350
		Tadikonda	0.1	Cotton (Unginned)	3000	3200	3100
	Gujarat	Amreli	144	Other	3100	4805	4755
		Bhiloda	60	Other	4650	4775	4725
		Halvad	309.78	Other	4500	4805	4700
		Jam Jodhpur	133.6	Desi	4000	4725	4250

		Jasdan	180	Other	3625	4750	4550
		Jepur Pavi	15	Shanker 6 (B) 30mm Fine	4150	4860	4700
		Junagadh	86.4	Other	4000	4725	4635
		Kadi	40	Other	4725	4870	4800
		Morbi	196.7	Other	4000	4855	4427.5
		Palitana	1250	Other	3500	4750	4125
		Rajula	117.5	Shanker 6 (B) 30mm Fine	4255	4725	4490
		Taleja	82.5	Other	4375	4765	4570
		Una	50	Shanker 6 (B) 30mm Fine	4405	4705	4550
		Unava	552	Other	4005	4805	4750
		Vadgam	0.4	Other	4675	4675	4675
		Vakener	170	Other	4325	4775	4675
		Haryana					
		Ellanabad	NR	American	3700	4315	4230
	Karnataka	Arasikere	21	Varalakshmi (Ginned)	3300	3600	3400
		Bellary	149	LD-327	2166	4670	4550
		Bijapur	83	LH-1556	2200	4458	4020
		Chamaraj Nagar	6	Other	3500	4800	4000
		Davangere	69	MCU 5	3090	4489	3899
		Gangavathi	22	GCH	4200	4300	4200
		Gokak	66	Laxmi (Ginned)	4179	4601	4211
		Gundlupet	16	Other	3018	3100	3100
		Haveri	11	GCH	3879	4359	4189
		Hunsur	26	Other	3205	3400	3400
		Kundagol	5	GCH	3750	3750	3750
		Raichur	257	F-1054	3760	4389	4056
		Ranebennur	100	GCH	3019	4469	3989
		Santhesargur	219	Krishna	3300	3700	3500
		Shorapur	17	Hampi (Ginned)	3800	4265	4243
	Madhya Pradesh	Khargone	854	Other	4472	4702	4611
		Khetia	123.9	H4	4500	4750	4625
		Manawar	93	Other	4200	4500	4500
		Pandhurna	65	Other	4400	4500	4425
		Maharashtra					
		Chalisingaon	1.5	Other	4200	4400	4350
	Punjab	Abohar	910	American	4005	4230	4190
		Bariwala	10.3	Other	2900	4295	4215
		Dhuri	0.2	American	4100	4250	4100
		Malout	230	Other	4170	4310	4235
		Raman	267.3	Other	3200	4250	4200
		Sangrur	1.5	American	4110	4235	4180
	Rajasthan	Anoopgarh	199.1	American	3750	4060	3905
		Gajsinghpur	754	American	3851	4100	4050

		Padampur	100.1	American	3400	4081	3775
		Raisingh Nagar	77	American	3900	4078	4021
		Sumerpur	99.2	Other	3150	4235	4110
	Tamil Nadu	Annur	NR	Other	4960	5020	4990
		Konganapuram	NR	cotton (Ginned)	3820	4240	4030
		Salem	NR	DCH-32 (Ginned)	4000	4500	4250
		Tiruchengode	NR	LRA	3900	4100	4000
		Usilampatty	NR	LRA	2520	2620	2570
		Villupuram	5	Other	2179	3690	NR
Jute	Andhra Pradesh	Bobbili	1.5	Jute	1800	2000	1900
		Assam					
		Bohorihat	95	TD-5	1600	2000	1800
	West Bengal	Baxirhat	15	TD-5	2000	2125	2050
		Beldanga	200	TD-5	1900	2000	1950
		Coochbehar	57.5	TD-5	2100	2150	2125
		Islampur	65	TD-5	2000	2100	2050
		Jiaganj	150	TD-5	1850	1950	1900
		Karimpore	40	TD-5	1700	1725	1700
		Katwa	8	TD-5	1900	2000	1950
		Lalbagh	2	TD-5	1850	1870	1860
		Mathabhanga	30	TD-5	2110	2135	2125
		Raiganj	70	TD-5	1850	1950	1900
		Toofanganj	2.5	TD-5	2000	2100	2050
Cotton Seed	Uttar Pradesh	Muzzafarnagar	8.5	Other	2100	2300	2200

Cotton Association of India Spot Rates: As on 04/11/2011

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 03/11/2011

Cotlook Indices	Cents/Pound	Change
A-Index	108.10	-0.75

China Cotton Index: As on 04/11/2011

Index	RMB/Ton	Change
CCIndex(328)	19293	-8
CCIndex(527)	16788	-3
CCIndex(229)	20671	-2

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

USDA Cotton Spot rates: As on 03/11/2011

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	98.12	99.87	Nil
North Delta	97.12	98.12	1,250
South Delta	97.12	98.12	352
East TX-OK	93.75	96.50	Nil
West Texas	93.75	96.25	4,532
Desert SW	94.62	100.62	Nil
SJ Valley	95.62	105.02	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 03/11/2011**

Contract	Open	High	Low	Close	Change
Dec-11	98.61	99.44	97.30	98.12	-0.22
Mar-12	98.08	98.77	96.81	97.80	0.20
May-12	97.57	98.20	96.56	97.80	0.32
Jul-12	97.30	97.85	96.42	97.76	0.43
Oct-12	98.20	98.69	98.20	98.64	0.74
Dec-12	95.00	96.50	94.80	96.43	0.94

*Prices in USc

Pakistan Cotton Spot rates: As on 04/11/2011 (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	5970

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