

**Cotton Domestic Fundamentals:**

Cotton prices ended on a weaker note as arrivals remain higher. Buying activity from Millers and exporters remained lower as they anticipate further weakness in prices as arrivals may increase. Total arrival in the country was 100,000 bales on Saturday compared to 95,000 bales on Friday. Yarn demand remained sluggish as parity difference is keeping the ginner away from the market.

**Cotton Domestic Futures Market:**

NCDEX Kapas April 2012 contract finished lower by 0.88 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 increased to 2,111, up by 223 against previous trading day.

**Cotton International Fundamentals**

Cotton futures moved higher on Friday amid concerns that weak demand for product will overshadow any cuts in production that show up in next week's USDA numbers. Crop production and world agricultural supply demand reports are due to be released Wednesday November 9<sup>th</sup> 2011. However cotton futures may continue its bearish momentum as ICAC believes that global cotton consumption in the 2011 - 2012 marketing year will grow very little. However, cotton exports has increased supporting markets at lower levels and December contracts ended higher by 0.6% at 98.74 cents a pound on ICE.

**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 and lower consumption.**

**NCDEX Kapas Futures: as on 05<sup>th</sup> November 2011  
(Prices in Rs/20/kg)**

Contract	+/-	Open	High	Low	Close
Feb-11	3.3	748.2	748.2	748.2	748.2
Mar-11	-15.2	735.0	735.0	735.0	735.0
Apr-11	-6.5	732.0	732.0	725.6	728.1

**Volumes and OI in Lots**

Contract	Volume	Change	OI	Change
12-Feb	1	-9	154	-
12-Mar	1	-1	37	-
12-Apr	2111	222	9042	543

Spread	Feb-12	Mar-12	Apr-12
Basis	61.8	75.0	81.9
Feb-12	-	-13.2	-20.1
Mar-12	-	-	-6.9
Apr-12	-	-	-

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

**MCX Kapas Futures: as on 05<sup>th</sup> November 2011  
(Prices in Rs/20/kg)**

Contract	+/-	Open	High	Low	Close
Mar-11	-5.3	753.0	753.0	743.0	745.5
Apr-11	-5.1	745.0	747.0	740.0	742.8

**Volumes and OI in Lots**

Contract	Volume	Change	OI	Change
12-Mar	89	-13	582	10
12-Apr	252	118	1433	67

Spread	Mar-12	Apr-12
Basis	64.5	67.2
Mar-12	-	-2.7
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 05<sup>th</sup> November 2011 (Prices in Bales)**

Contract	+/-	Open	High	Low	Close
Dec-11	-180	18010	18020	17850	17870
Jan-12	-180	18040	18040	17880	17900
Mar-12	-160	18450	18460	18340	18350

## Cotton Prices at Key Spot Markets

Centre	Prices		Change
	05-11-11	04-11-11	
Kadi – Bt Cotton#	4750-5000	4700-4900	100
Amravati – Vunni Mech-1#	4400-4600	4500-4700	-100
Ahmedabad – Shankar-6#	4000-4100	4260-4625	-525
Abhor – J-34*	3490	3590	-100
Muktsar – J-34*	3490	3590	-100

\*-Rs/maund, #-Rs.qtl

## Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	05-11-11	04-11-11	
Kadi –Bt Cotton	200	200	Unch
Amravati –Vunni Mech-1	500	600	-100
Ahmedabad – Shankar-6	20000	20000	Unch
Abohar	1700	2000	-300
Muktsar	300	250	50

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

## Prices of Cotton and Cotton Seed at Other Centers: As on 05/11/2011

Commodity	State	Market Center	Arrivals	Variety	Minimum Price	Maximum Price	Modal Price
			Tonnes		Rs/Quintal		
Cotton	Gujarat	Idar	178	Other	4700	4810	4755
		Kadi	50	Other	4825	4900	4850
		Modasa	5.5	Other	4700	4770	4725
		Morbi	195.1	Other	3750	4815	4283
		Unava	480	Other	4655	4760	4725
		Vakener	220	Other	4400	4775	4660
	Madhya Pradesh	Manawar	78	Other	4200	4500	4500
	Punjab	Malout	210	Other	4050	4195	4150
		Raman	282.5	Other	3570	4180	4115
Cotton Seed	Uttar Pradesh	Muzzafarnagar	NR	Other	2200	2500	2275

## Cotton Association of India Spot Rates: As on 05/11/2011

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	24200
J-34	25mm	3.5 - 4.9	23	31300

H-4/ MECH-1	28mm	3.5 - 4.9	25	35900
Shankar-6	29mm	3.5 - 4.9	26	39000
Bunny/ Brahma	31mm	3.5 - 4.9	27	38800
MCU-5/ Surabhi	33mm	3.3 - 4.5	28	39700
DCH-32	35mm	2.8 - 3.6	31	49000

**Cotlook Index: As on 04/11/2011**

Cotlook Indices	Cents/Pound	Change
A-Index	108.05	-0.05

**China Cotton Index: As on 05/11/2011-Weekly Close**

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

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

**USDA Cotton Spot rates: As on 04/11/2011**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	98.74	100.49	24
North Delta	97.74	98.74	Nil
South Delta	97.74	98.74	Nil
East TX-OK	94.25	97.00	1,496
West Texas	94.25	96.75	1,255
Desert SW	95.24	101.24	Nil
SJ Valley	96.24	105.64	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 04/11/2011**

Contract	Open	High	Low	Close	Change
Dec-11	98.12	99.82	98.05	98.74	0.62
Mar-12	97.80	99.00	97.40	98.46	0.66
May-12	98.02	98.80	97.55	98.65	0.85
Jul-12	97.92	98.80	97.40	98.61	0.85
Oct-12	98.86	100.25	97.80	99.98	1.34
Dec-12	96.66	97.25	95.79	97.10	0.67

\*Prices in USc

**Pakistan Cotton Spot rates: As on 05/11/2011 (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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