

**Cotton Domestic Fundamentals:**

Cotton prices remained mixed with Abohar and Punjab ending higher and remaining centers ending on the lower side. Weather will assist harvest in all states. Picking has started in all major states like Gujarat, Rajasthan, A.P, Haryana and Punjab. Meanwhile, USDA said in its report that output is expected to increase to 27.5 million bales, from 25.4 million bales the previous season. Prices may continue the current downtrend as millers may want to buy at lower levels. Export demand remains firm, however may continue weaken at higher levels and may pressurize prices to weaken further. Total arrival in the country was 130,000 bales and may increase further and may also pull prices lower.

**Cotton International Fundamentals**

Cotton futures moved higher after USDA lowered its forecast for the U.S. cotton harvest. Markets also fell after data showed Chinese cotton imports surged last month. USDA lower the crop estimates to 16.3 billion bales, down 2% from last month's forecast and 10% below year-ago levels. However, exports were also lowered to 12 million bales from 13 million bales on reduced demand for the fiber. Global production is expected to higher at 123.4 million bales due to higher output from China, India and Pakistan. China's imports surged by 28.7% in October from September due to increased demand for the fiber. USDA said in its report that China bought 998,000 running bales (RBs, 500-lbs each). Markets remained weak at higher prices as China's cotton output this year is expected to increase 21% to 7.55 million metric tons. Acreage rose 8.5% from a year earlier to 5.3 million hectares, while unit yield increased 11.6% to 1.43 tons a hectare.

**Outlook: Domestic and International**

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

**U.S markets may trade range bound to firm on lower US harvest and higher Chinese demand.**

**NCDEX Kapas Futures: (Prices in Rs/20/kg)**

Contract	+/-	Open	High	Low	Close
Feb-11	-12.3	709.2	731.8	708.1	714.5
Mar-11	-14.8	719.0	729.8	708.0	712.0
Apr-11	-7.4	715.5	723.8	705.0	711.6

**Volumes and OI in Lots**

Contract	Volume	Change	OI	Change
12-Feb	40	36	131	-13
12-Mar	5	5	44	-
12-Apr	4145	2693	10190	720

Spread	Feb-12	Mar-12	Apr-12
Basis	135.5	138.0	138.4
Feb-12	-	-2.5	-2.9
Mar-12	-	-	-0.4
Apr-12	-	-	-

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

**MCX Kapas Futures: (Prices in Rs/20/kg)**

Contract	+/-	Open	High	Low	Close
Mar-11	-8.9	729.9	729.9	719.1	725.0
Apr-11	-7.5	726.5	726.6	719.7	725.7

**Volumes and OI in Lots**

Contract	Volume	Change	OI	Change
12-Mar	466	418	711	69
12-Apr	586	371	1761	98

Spread	Mar-12	Apr-12
Basis	125.0	124.3
Mar-12	-	0.7
Apr-12	-	-

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

**MCX Cotton Futures (29 mm Variety): Prices in Bales**

Contract	+/-	Open	High	Low	Close
Dec-11	-210	17600	17620	17350	17480
Jan-12	-250	17610	17630	17350	17470
Mar-12	-360	18200	18200	17850	17970

## Cotton Prices at Key Spot Markets

Centre	Prices		Change
	14-11-11	12-11-11	
Kadi – Bt Cotton#	4400-4650	4600-4800	-150
Amravati – Vunni Mech-1#	4300-4450	4250-4550	-100
Ahmedabad – Shankar-6#	4125-4375	4250-4500	-125
Abhor – J-34*	3725	3480	245
Muktsar – J-34*	3725	3480	245

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

## Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	14-11-11	12-11-11	
Kadi –Bt Cotton	150	150	Unch
Amravati –Vunni Mech-1	800	700	100
Ahmedabad – Shankar-6	30000	25000	5000
Abohar	900	700	200
Muktsar	200	200	Unch

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 14/11/2011

Commodity	State	Market Center	Arrivals	Variety	Minimum Price	Maximum Price	Modal Price
			Tonnes		Rs/Quintal		
Cotton	Andhra Pradesh	Adilabad	19.7	Cotton (Unginned)	3900	4080	3990
		Bhainsa	496.2	Cotton (Unginned)	4125	4325	4200
		Kuber	71.6	Cotton (Unginned)	4200	4250	4250
		Macharla	0.1	Other	3350	3550	3400
		Martur	NR	Desi	3200	3400	3300
		Nandigama	0.1	H 420	3500	3700	3645
		Pidugurala	0.1	Cotton (Unginned)	3600	3800	3700
		Proddatur	NR	MCU 5	4300	4400	4350
		Sattenapalli	0.1	MCU 5	3500	4000	3600
		Tadipatri	NR	MCU 5	3700	3800	3750
	Gujarat	Amreli	198	Other	2750	4580	4500
		Bagasara	40	Other	3755	4565	4160
		Bhiloda	250	Other	4400	4550	4500
		Halvad	489.44	Other	4305	4555	4450
		Jam Jodhpur	147.6	Desi	4125	4550	4250
		Jamkandorna	4.8	Cotton (Unginned)	4450	4500	4485
		Jamnagar	1490	Other	4250	4625	4438
		Junagadh	80.5	Other	3750	4525	4100
		Lalpur	135	Other	1750	1830	1784
		Palitana	1200	Other	3000	4575	3787
		Rajula	98	Shanker 6 (B) 30mm	4155	4545	4350

				Fine			
		Savarkundla	120	Other	4350	4605	4477
		Siddhpur	138.9	Other	4150	4570	4360
		Vadgam	2.1	Other	4405	4440	4423
		Vadhvan	7.2	Shanker 6 (B) 30mm Fine	4430	4545	4487
		Vakener	200	Other	4290	4725	4600
	Karnataka	Haveri	649	GCH	3769	4409	4196
	Madhya Pradesh	Khargone	1075	Other	4200	4502	4380
		Khetia	127.1	H4	3895	4490	4193
		Manawar	146	Other	4000	4200	NR
		Pandhurna	85	Other	3920	4350	4135
		Sonsar	217.2	H4	4100	4321	4300
	Punjab	Jaitu	18	Other	3475	4090	4065
		Raman	142.2	Other	3250	4020	3850
		Sangrur	8	American	3505	4045	3950
	Rajasthan	Gajsinghpur	608	American	3760	4010	3950
			NR	Desi	4400	4720	4652
		Raisingh Nagar	63.5	American	3751	3993	3900
			NR	Desi	4400	4752	4600
		Sri Karanpur	49.4	American	3961	4170	4000
			NR	Desi	4400	4778	4637
		Sumerpur	116.1	Other	3625	4191	4050
	Tamil Nadu	Annur	NR	Other	4960	5020	4990
		Gingee	3	Other	2800	3000	2950
		Kovilpatti	NR	LRA	3000	4000	3500
			NR	MCU 5	3000	4500	3700
			NR	Other	2000	3000	2700
		Theni	NR	Other	2200	2400	2300
		Villupuram	2	Other	3670	3910	3850
Jute	Assam	Kharupetia	70	TD-5	1600	1750	1725
	West Bengal	Bethuadahari	150	TD-5	1795	1810	1800
		Coochbehar	64	TD-5	2100	2150	2125
		Islampur	40	TD-5	1950	2050	2000
		Mathabhanga	20	TD-5	2160	2190	2175
			NR	W-5	1790	1810	1800
		Samsi	25	TD-5	1750	1850	1800
Cotton Seed	Gujarat	Mansa	184	Other	4000	4540	4465
	Uttar Pradesh	Muzzafarnagar	NR	Other	2450	2600	2550

### Cotton Association of India Spot Rates: As on 14/11/2011

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy
Bengal Deshi (RG)/ Assam Comilla	Below 22mm	5.0 - 7.0	15	35000
Bengal Deshi (SG)	Below 22mm	5.0 - 7.0	15	35900
V-797	22mm	4.5 - 5.9	19	24400
J-34	25mm	3.5 - 4.9	23	30500

<b>H-4/ MECH-1</b>	28mm	3.5 - 4.9	25	35000
<b>Shankar-6</b>	29mm	3.5 - 4.9	26	37800
<b>Bunny/ Brahma</b>	31mm	3.5 - 4.9	27	37100
<b>MCU-5/ Surabhi</b>	33mm	3.3 - 4.5	28	38500
<b>DCH-32</b>	35mm	2.8 - 3.6	31	48500

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

Cotlook Indices	Cents/Pound	Change
<b>A-Index</b>	107.40	+1.35

**China Cotton Index: As on 14/11/2011**

Index	RMB/Ton	Change
<b>CCIndex(328)</b>	19232	-26
<b>CCIndex(527)</b>	16712	-39
<b>CCIndex(229)</b>	20640	-10

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

**USDA Cotton Spot rates: As on 10/11/2011**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
<b>Southeast</b>	99.25	101.00	1,018
<b>North Delta</b>	98.25	99.25	Nil
<b>South Delta</b>	98.25	99.25	Nil
<b>East TX-OK</b>	94.50	97.25	3,663
<b>West Texas</b>	94.50	97.00	3,130
<b>Desert SW</b>	96.25	102.25	Nil
<b>SJ Valley</b>	97.25	107.15	200

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 11/11/2011**

Contract	Open	High	Low	Close	Change
<b>Dec-11</b>	99.27	99.99	98.42	99.24	-0.26
<b>Mar-12</b>	99.08	99.08	97.12	98.04	-0.84
<b>May-12</b>	98.6	98.7	97.3	98.46	-0.60
<b>Jul-12</b>	98.21	98.7	97.16	98.18	-0.65
<b>Oct-12</b>	98.76	98.76	98.76	98.76	-1.15
<b>Dec-12</b>	96.01	96.5	95.36	95.73	-0.91

\*Prices in USc

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