

Cotton Domestic Fundamentals:

Cotton prices remained weak with Abohar, Muktsar, Amravati and Kadi ending lower and Ahmedabad ending higher. Weather will assist harvest in all states. Picking has started in all major states like Gujarat, Rajasthan, A.P, Haryana and Punjab. Cotton Advisory Board (CAB) has said in their report that India's exports will rise nearly 15% to 8 million bales compared to last year because of higher production and sluggish demand from domestic textile mills. CAB also revised their production estimate from 35.5 million bales to 35.6 million bales. Exports will rise to 80 lakh bales. Mill use will decline to 230 lakh bales compared to the previous estimate of 240 lakh bales due to the slowdown in demand from the mills. So this will increase the supply to 78.5 lakh bales compared to the previous estimate of 56.5 lakh bales.

Cotton International Fundamentals

Cotton futures remained mixed with December ending lower but the rest of contracts ending higher. December futures were hit by fears fluctuated down generally showing strength at times. However, millers may start to buy at lower levels. The huge premium seen by the December contract over the March 2012 contract may raise the outlook of squeezing the December contract. Meanwhile, USDA has lower production estimates for U.S to 16.3bn bales in the 2011-12 season. Pakistan's production is also reported to be around 14.1 million bales. Cotton prices may see support at lower levels on demand concerns and after the USDA raised its global carry-over estimate and cut its U.S. export forecast. Supply concerns have eased with USDA revisions and the 2011-12 global stocks/use ratio at 48.1%, the highest in 3-years.

Outlook: Domestic and International

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

U.S markets may trade range bound to weak on weak Chinese demand and higher global crop.

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

Contract	+/-	Open	High	Low	Close
Feb-11	1.6	718.0	731.8	708.1	716.5
Mar-11	2.6	713.0	729.8	708.0	718.0
Apr-11	2.9	713.0	723.8	705.0	713.9

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
12-Feb	10	-30	125	-5
12-Mar	4	-1	45	1
12-Apr	1877	-2269	10242	81

Spread	Feb-12	Mar-12	Apr-12
Basis	153.5	152.0	156.1
Feb-12	-	1.5	-2.6
Mar-12	-	-	-4.1
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	0.5	726.0	728.4	722.5	725.0
Apr-11	2.1	729.9	731.4	723.3	726.8

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
12-Mar	122	-344	711	-
12-Apr	251	-335	1740	-21

Spread	Mar-12	Apr-12
Basis	145.0	143.2
Mar-12	-	1.8
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	160	17530	17600	17460	17600
Jan-12	170	17940	17940	17480	17600
Mar-12	120	18000	18050	17960	18050

Cotton Prices at Key Spot Markets

Centre	Prices		Change
	15-11-11	14-11-11	
Kadi – Bt Cotton#	4200-4600	4400-4650	-50
Amravati – Vunni Mech-1#	4200-4330	4300-4450	-120
Ahmedabad – Shankar-6#	4250-4450	4125-4375	75
Abhor – J-34*	3450	3725	-275
Muktsar – J-34*	3450	3725	-275

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	15-11-11	14-11-11	
Kadi –Bt Cotton	150	150	Unch
Amravati –Vunni Mech-1	600	800	-200
Ahmedabad – Shankar-6	30000	30000	Unch
Abohar	900	900	Unch
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 15/11/2011

Commodity	State	Market Center	Arrivals	Variety	Minimum Price	Maximum Price	Modal Price
			Tonnes		Rs/Quintal		
Cotton	Andhra Pradesh	Adilabad	1217.4	Cotton (Unginned)	3800	4000	3900
		Bhainsa	703.1	Cotton (Unginned)	4200	4311	4250
		Choppadandi	126.5	Cotton (Unginned)	3500	3880	3825
		Khammam	686	Cotton (Unginned)	3600	3950	3700
		Kuber	54.3	Cotton (Unginned)	4200	4270	4250
		Macharla	0.1	Other	3428	4050	3643
		Martur	NR	Desi	3200	3400	3300
		Nandigama	0.1	H 420	3500	3700	3600
		Sattenapalli	0.1	MCU 5	3500	4000	3600
		Tadipatri	NR	MCU 5	3700	3800	3750
	Gujarat	Amod	81.9	Shanker 6 (B) 30mm Fine	4300	4400	4350
		Amreli	174	Other	3305	4530	4450
		Bagasara	44	Other	3650	4480	4065
		Bhiloda	78	Other	4300	4475	4425
		Bodeli	110	Shanker 6 (B) 30mm Fine	4400	4620	4500
		Dhoraji	51.5	H.B (Unginned)	3625	4455	4410
		Gondal	258.1	Cotton (Unginned)	2055	4450	4420

		Halvad	279.04	Other	4325	4525	4450
		Himatnagar	63.8	Other	1035	4275	2655
		Jam Jodhpur	154.6	Desi	3875	4475	4250
		Jamkandorna	5.5	Cotton (Unginned)	4250	4400	4370
		Junagadh	107	Other	4125	4505	4300
		Modasa	24.8	Other	4250	4410	4300
		Morbi	218.1	Other	3980	4670	4325
		Palitana	1500	Other	2750	4400	3575
		Rajula	104	Shanker 6 (B) 30mm Fine	4255	4465	4360
		Savarkundla	140	Other	4250	4475	4365
		Unava	802	Other	4055	4595	4500
		Vadgam	1.1	Other	4385	4400	4392.5
		Vadhvan	3	Shanker 6 (B) 30mm Fine	4450	4500	4475
		Vakener	190	Other	4180	4535	4455
	Karnataka	Arasikere	9	Varalakshmi (Ginned)	3200	3200	3200
		Bijapur	132	LH-1556	2040	4260	3939
		Chitradurga	321	Varalakshmi (Ginned)	3499	4989	4400
		Davangere	35	MCU 5	3269	4175	3890
		Gokak	74	Laxmi (Ginned)	3909	4429	4219
		Gundlupet	4	Other	3000	3000	3000
		Haveri	8	GCH	3769	4129	4079
		Hirekerur	54	GCH	3076	3076	3076
		Kudchi	1	Varalakshmi (Ginned)	3900	4100	4000
		Mundgod	15	Aka-1 (Unginned)	4600	4600	4600
		Raichur	143	F-1054	3686	4219	3949
		Ranebennur	148	GCH	2789	4560	3979
		Santhesargur	81	Krishna	3300	3500	3400
		Shimoga	17	LD-327	3009	4529	3769
		Shorapur	20	Hampi (Ginned)	3005	NR	3603
		Soundati	13	LD-327	3909	4259	4119
	Madhya Pradesh	Khargone	740	Other	4171	4511	4350
		Lahorda	29.1	H4	4151	4421	4300
		Manawar	62	Other	4000	4300	4200
		Sonsar	336.7	H4	4150	4321	4300
	Orissa	Gunpur	135	MCU-5 (A) 31mm Fine	3600	3720	3700
	Punjab	Ahmedgarh	14	American	3550	4375	4200
		Dhuri	12	American	2510	4100	3800
		Malout	189	Other	3150	4035	3950
		Raman	156.7	Other	3400	4095	4060
		Sangat	80	American	3000	4080	4020

	Rajasthan	Sangrur	3.6	American	3765	4115	4000
		Anoopgarh	204.1	American	3812	3951	3881
		Kesarisinghpur	39.8	American	3000	3999	3860
		Padampur	70.4	American	3500	3864	3711
		Raisingh Nagar	84	American	3700	3821	3777
		Sri Karanpur	93.5	American	3870	4130	4065
		Sumerpur	66.1	Other	3629	4169	4050
	Tamil Nadu	Annur	NR	Other	4960	5020	4990
		Gingee	40	Other	2689	3570	3150
		Konganapuram	NR	Other	3900	4350	4125
		Kovilpatti	NR	LRA	3000	4000	3500
		Salem	NR	DCH-32 (Ginned)	4000	4500	4250
		Theni	NR	Other	2200	2400	2300
		Tiruchengode	NR	LRA	3600	4000	3800
Jute	Andhra Pradesh	Bobbili	2.6	Jute	1700	1900	1800
	West Bengal	Coochbehar	66.5	TD-5	2100	2150	2125
		Jiaganj	180	TD-5	1850	1950	1900
		Kalna	20	TD-5	1900	2000	1950
		Lalbagh	9.5	TD-5	1800	1830	1820
		Mekhliganj	15	Other	2000	2150	2125
		Raiganj	65	TD-5	1975	2075	2025
Cotton Seed	Uttar Pradesh	Muzzafarnagar	NR	Other	2500	2625	2550

Cotton Association of India Spot Rates: As on 15/11/2011

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy
Bengal Deshi (RG)/ Assam Comilla	Below 22mm	5.0 - 7.0	15	35300
Bengal Deshi (SG)	Below 22mm	5.0 - 7.0	15	36200
V-797	22mm	4.5 - 5.9	19	24400
J-34	25mm	3.5 - 4.9	23	30800
H-4/ MECH-1	28mm	3.5 - 4.9	25	35000
Shankar-6	29mm	3.5 - 4.9	26	37800
Bunny/ Brahma	31mm	3.5 - 4.9	27	37100
MCU-5/ Surabhi	33mm	3.3 - 4.5	28	38500
DCH-32	35mm	2.8 - 3.6	31	48500

Cotlook Index: As on 14/11/2011

Cotlook Indices	Cents/Pound	Change
A-Index	106.65	-0.75

China Cotton Index: As on 15/11/2011

Index	RMB/Ton	Change
CCIndex(328)	19225	-7
CCIndex(527)	16709	-3
CCIndex(229)	20638	-2

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

USDA Cotton Spot rates: As on 14/11/2011

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	100.29	102.04	1,331

North Delta	99.29	100.29	7,850
South Delta	99.29	100.29	1,367
East TX-OK	96.00	98.75	440
West Texas	96.00	98.50	6,102
Desert SW	97.54	103.54	Nil
SJ Valley	98.54	108.44	50

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 14/11/2011**

Contract	Open	High	Low	Close	Change
Dec-11	99.88	100.90	97.79	100.79	1.55
Mar-12	98.02	98.12	96.10	96.62	-1.42
May-12	98.30	98.30	96.70	97.23	-1.23
Jul-12	98.00	98.00	96.85	97.30	-0.88
Oct-12	98.05	98.14	98.05	98.14	-0.62
Dec-12	95.33	95.90	95.00	95.36	-0.37

*Prices in USc

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>

© 2005 Indian Agribusiness Systems Pvt Ltd.