

**Cotton Domestic Fundamentals:**

Cotton prices traded on Wednesday trade as arrivals declined in key markets. Weather will assist harvest in all northern states. However rains in Tamil Nadu may hinder crop pickings. Crop picking has started in all major states like Gujarat, Rajasthan, A.P, Haryana and Punjab with a delay in Tamil Nadu due to rains. Demand remained slightly better on limited availability of ready stocks. Exporters also remained active and may continue to buy. Arrivals declined as farmers are holding onto stocks in anticipation of better returns. Total arrival in the country was 115,000 bales. Meanwhile, a delegation, headed by Maharashtra Chief Minister Prithviraj Chavan, will meet Prime Minister Manmohan Singh to discuss the demand for increase in minimum support price for cotton soon.

**Cotton International Fundamentals**

Cotton futures end higher on investor buying and higher imports from China. March cotton futures went up the 4.00 cents daily limit, or 4%, to settle at \$1.0062 a lb. Markets were supported by reports of higher imports from China as National Cotton Reserves Corporation reported that China imported 252,300 tonnes of cotton in October, a 163% jump from the same period last year. The imports were higher as cotton prices were lower last year. However, gains may be restricted as USDA reported in its weekly crop progress report that nearly 79% of the U.S. cotton crop was harvested as of November 13, up from 70% the week before. Meanwhile, in Pakistan buying was seen from exporters, millers and spinners. Traders reported that ginner have a huge amount of unsold stock are likely release that stock due to fresh arrivals in their local markets. This may restrict upside. Australian cotton output may increase by 25% to 5 million bales in 2011-12 compared to 4 million bales in the previous year.

**Outlook: Domestic and International**

**In the short term, domestic cotton prices move higher firm demand and decline in arrivals.**

**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	9.8	720.2	730.1	718.0	729.0
Mar-11	10.9	720.0	729.0	720.0	729.0
Apr-11	9.8	718.0	727.9	716.2	723.2

**Volumes and OI in Lots**

Contract	Volume	Change	OI	Change
12-Feb	31	21	131	6
12-Mar	6	2	43	-1
12-Apr	4969	3089	9966	-274

Spread	Feb-12	Mar-12	Apr-12
Basis	147.0	147.0	152.8
Feb-12	-	0.0	-5.8
Mar-12	-	-	-5.8
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	9.9	725.0	738.5	725.0	735.3
Apr-11	8.4	729.0	739.0	729.0	734.8

**Volumes and OI in Lots**

Contract	Volume	Change	OI	Change
12-Mar	337	215	672	-39
12-Apr	429	178	1650	-90

Spread	Mar-12	Apr-12
Basis	140.7	141.2
Mar-12	-	-0.5
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	200	17660	17830	17610	17760
Jan-12	230	17660	17830	17620	17780
Mar-12	130	18120	18180	18060	18150

## Cotton Prices at Key Spot Markets

Centre	Prices		Change
	16-11-11	15-11-11	
Kadi – Bt Cotton#	4500-4700	4200-4600	100
Amravati – Vunni Mech-1#	4100-4250	4200-4330	-80
Ahmedabad – Shankar-6#	4260-4500	4250-4450	50
Abhor – J-34*	3525	3450	75
Muktsar – J-34*	3525	3450	75

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

## Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	16-11-11	15-11-11	
Kadi –Bt Cotton	125	150	-25
Amravati –Vunni Mech-1	800	600	200
Ahmedabad – Shankar-6	30000	30000	Unch
Abohar	1200	900	300
Muktsar	300	250	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 1611/2011

Commodity	State	Market Center	Arrivals	Variety	Minimum Price	Maximum Price	Modal Price
		<b>Tonnes</b>			<b>Rs/Quintal</b>		
Cotton	Andhra Pradesh	Adilabad	912	Cotton (Unginned)	3810	3990	3900
		Adoni	301.4	Kapas (Adoni)	3800	4349	4100
		Asifabad	181.4	Cotton (Unginned)	3850	4000	3950
		Bhainsa	547.6	Cotton (Unginned)	4175	4300	4250
		Macharla	0.1	Other	3253	4035	3794
		Martur	NR	Desi	3000	3200	3100
		Nandigama	0.1	H 420	3500	3700	3600
		Peddapuram	22.1	Desi	3000	3500	3300
		Proddatur	NR	MCU 5	4300	4400	4350
		Sattenapalli	0.1	MCU 5	3600	4000	3700
		Tadipatri	NR	MCU 5	3700	3800	3750
	Gujarat	Amreli	168	Other	2755	4590	4505
		Babra	200	Shanker 6 (B) 30mm Fine	4225	4610	4600
		Bhavnagar	94.3	Other	4305	4455	4380
		Bhiloda	65	Other	4350	4475	4425
		Bodeli	80	Shanker 6 (B) 30mm Fine	4500	4650	4575
		Deesa	6.8	Other	4375	4425	4425
		Dhandhuka	60.1	Shanker 6 (B) 30mm Fine	4400	4630	4545

		Halvad	268.14	Other	4400	4575	4500
		Jam Jodhpur	140	Desi	4050	4525	4275
		Jasdan	300	Other	3500	4535	4250
		Jhagadiya	5	Other	4000	4500	4300
		Junagadh	115	Other	4125	4505	4415
		Lalpur	92.5	Other	1550	1822	1780
		Morbi	236.3	Other	4000	4700	4350
		Palitana	1000	Other	3500	4500	4000
		Rajula	100	Shanker 6 (B) 30mm Fine	4255	4500	4378
		Savarkundla	110	Other	4250	4540	4395
		Savli	NR	G-6	4200	4300	4250
		Unava	6.4	Other	3510	4620	4540
		Vadgam	0.9	Other	4410	4410	4410
		Vadhvan	4	Shanker 6 (B) 30mm Fine	4380	4515	4447
		Vakener	220	Other	4130	4555	4455
		Visnagar	445.6	Other	4250	4605	4430
	Karnataka	Bijapur	132	LH-1556	2209	4236	3901
		Davangere	56	MCU 5	3290	4169	3609
				Varalakshmi (Ginned)	4189	4444	4380
		Gundlupet	9	Other	2800	3000	3000
		Haveri	3	GCH	3779	4139	4109
		Hubli	119	GCH	3441	4279	4009
			NR	Varalakshmi (Ginned)	4411	4841	4689
		Nargunda	59	GCH	4000	4150	4075
		Ranebennur	148	GCH	3369	4239	3889
		Sankeshwar	2	Other	3900	4000	3950
		Santhesargur	56	Krishna	3300	3430	3300
			NR	Varalakshmi (Ginned)	4000	4150	4000
		Shorapur	12	Hampi (Ginned)	3465	3975	3806
	Madhya Pradesh	Khargone	540	Other	4300	4602	4451
		Khetia	114	H4	4200	4485	4343
		Lahorda	33.6	H4	4100	4413	4300
		Sendhwa	186.8	H4	4000	4500	4250
		Sonsar	263.1	H4	4150	4325	4200
	Punjab	Dhuri	6	American	2550	4050	3900
		Jaitu	21	Other	3490	4195	4150
		Malout	146.1	Other	3900	4155	NR
		Mansa	840	American	2700	4185	4120
		Raman	163	Other	3495	4185	4145
		Sangrur	5.5	American	3905	4210	4170
	Rajasthan	Anoopgarh	144.8	American	3750	3923	3862
			NR	Desi	4500	4700	4600
		Gajsinghpur	576	American	3600	3951	3900
			NR	Desi	4400	4751	4650

		Hanumangarh	473.3	American	3899	4200	4140
			NR	Desi	4375	4683	4640
		Kesarisinghpur	27.7	American	3786	4232	4104
			NR	Kapas (Adoni)	4625	4780	4700
		Merta City	13.8	Other	3950	4050	4000
		Padampur	51	American	3600	3933	3900
			NR	Desi	4300	4670	4581
		Raisingh Nagar	70.5	American	3500	3900	3881
			NR	Desi	4400	4822	4723
		Sri Karanpur	97.4	American	3785	4026	3935
			NR	Desi	4430	4706	4675
		Sumerpur	85.5	Other	3500	4175	4060
	Tamil Nadu	Annur	4.4	Other	3900	4150	4025
		Villupuram	4	Other	2620	4109	4000
Jute	Andhra Pradesh	Bobbili	2.5	Jute	1600	1800	1700
		Gajapathinagaram	0.8	Jute	1500	1700	1600
	Assam	Bohorihat	50	TD-5	1550	2150	1850
		Kharupetia	200	TD-5	1800	1900	1850
	West Bengal	Baxirhat	5	TD-5	2000	2080	2050
		Beldanga	270	TD-5	1900	1980	1950
		Coochbehar	62.5	TD-5	2125	2175	2150
		Jiaganj	200	TD-5	1850	1950	1900
			20	TD-5	2160	2190	2175
		Mathabhanga	NR	W-5	1790	1810	1800
		Mekhliganj	14	Other	2000	2150	2125
		Pundibari	50	TD-5	2100	2150	2125
		Raiganj	63	TD-5	1950	2050	2000
			20	Jute	1850	1950	1900
		Samsi	NR	TD-5	1750	1850	1800
		Toofanganj	2.5	TD-5	2000	2100	2050
Cotton Seed	Uttar Pradesh	Muzzafarnagar	12	Other	2450	2600	2550

### Cotton Association of India Spot Rates: As on 16/11/2011

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	31000
H-4/ MECH-1	28mm	3.5 - 4.9	25	35400
Shankar-6	29mm	3.5 - 4.9	26	38200
Bunny/ Brahma	31mm	3.5 - 4.9	27	37500
MCU-5/ Surabhi	33mm	3.3 - 4.5	28	38700
DCH-32	35mm	2.8 - 3.6	31	48500

### Cotlook Index: As on 15/11/2011

Cotlook Indices	Cents/Pound	Change
A-Index	105.60	-1.05

### China Cotton Index: As on 16/11/2011

Index	RMB/Ton	Change
CCIndex(328)	19212	-13
CCIndex(527)	16709	Unch
CCIndex(229)	20635	-3

RMB - Renminbi, 1RMB = 0.16 \$U.S.

**USDA Cotton Spot rates: As on 15/11/2011**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	101.16	102.91	393
North Delta	100.16	101.16	Nil
South Delta	100.16	101.16	Nil
East TX-OK	96.75	99.50	372
West Texas	96.75	99.25	3,953
Desert SW	99.41	105.41	Nil
SJ Valley	100.41	110.31	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 15/11/2011**

Contract	Open	High	Low	Close	Change
Dec-11	100.11	104.69	100.11	102.66	1.87
Mar-12	96.65	100.62	96.57	100.62	4.00
May-12	97.33	100.67	97.21	100.57	3.34
Jul-12	97.34	100.03	97.30	100.03	2.73
Oct-12	99.51	99.51	99.51	99.51	1.37
Dec-12	95.50	96.51	95.10	96.51	1.15

\*Prices in USc

**Pakistan Cotton Spot rates: As on 16/11/2011 (in Pakistan Rupees)**

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.324 Kgs	5500	130	5630
Equivalent	40 Kgs	5894	130	6024

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