

Cotton Domestic Fundamentals:

Cotton prices remained steady to firm on Thursday's trade as demand remained firm. Markets were also supported by lower arrivals in the markets. Exporters continue to buy in the market with millers buying for immediate consumption. Total arrival in the country was 110,000 bales lower compared to 115,000 bales on Wednesday. Trade sources added that exports have been 4-5 million bales till date compare to 1.5-2 million bales last year. Meanwhile, cotton farmers from Vidarbha and Northern Maharashtra are asking the government to set a minimum support price at Rs.6000/quintal. Currently, the MSP is at Rs. 3300/quintal.

Cotton Futures

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 increased to 5,164, up by 195 against previous trading day.

Cotton International Fundamentals

Cotton futures remained mixed after USDA reports suggested that U.S. farmers sold 996,100 bales of cotton to Chinese merchants last week. Chinese demand is expected to increase this year as the country has started stockpiling in September 2011 and may continue to do so this April 2012. Government data suggests that China imported 252,300 tonnes of cotton in October, a 163% jump from the same period last year. Sources also revealed that import will be as high as 300,000 tonnes in November and December period. So this will keep prices from falling.

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	11.8	730.0	738.9	724.5	734.0
Mar-11	2.1	731.1	731.1	731.1	731.1
Apr-11	10.8	726.0	735.9	725.1	735.2

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
12-Feb	10	-21	132	-
12-Mar	1	-5	42	-
12-Apr	5164	190	9965	-3

Spread	Feb-12	Mar-12	Apr-12
Basis	166.0	168.9	164.8
Feb-12	-	-2.9	1.2
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	8.2	740.0	745.9	735.4	744.2
Apr-11	10.1	738.2	746.4	736.4	746.0

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
12-Mar	290	-47	634	-38
12-Apr	412	-17	1520	-130

Spread	Mar-12	Apr-12
Basis	155.8	154.0
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	120	17770	18000	17770	17910
Jan-12	120	17810	18000	17810	17920
Mar-12	150	18190	18380	18180	18310

Cotton Prices at Key Spot Markets

Centre	Prices		Change
	17-11-11	16-11-11	
Kadi – Bt Cotton#	4575-4825	4500-4700	125
Amravati – Vunni Mech-1#	4100-4250	4100-4250	Unch
Ahmedabad – Shankar-6#	4375-4625	4260-4500	125
Abhor – J-34*	3550	3525	25
Muktsar – J-34*	3550	3525	25

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	17-11-11	16-11-11	
Kadi –Bt Cotton	225	125	100
Amravati –Vunni Mech-1	800	800	Unch
Ahmedabad – Shankar-6	25000	30000	-5000
Abohar	1200	1200	Unch
Muktsar	300	300	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 17/11/2011

Commodity	State	Market Center	Arrivals	Variety	Minimum Price	Maximum Price	Modal Price
			Tonnes		Rs/Quintal		
Cotton	Andhra Pradesh	Adilabad	631.4	Cotton (Unginned)	3800	3970	3885
		Asifabad	172.3	Cotton (Unginned)	3850	4000	3920
		Bhainsa	414.1	Cotton (Unginned)	4000	4250	4150
		Chilakaluripet	0.1	Other	3000	3000	3000
		Khammam	564	Cotton (Unginned)	3700	4000	3825
		Macharla	0.1	Other	3403	3684	3571
		Martur	NR	Desi	3000	3200	3100
		Nandigama	0.1	H 420	3500	3700	3550
		Proddatur	NR	MCU 5	4200	4300	4250
		Tadipatri	NR	MCU 5	3650	3800	3700
	Gujarat	Amreli	174	Other	3125	4595	4520
		Bagasara	44	Other	4000	4540	4270
		Bhiloda	25	Other	4400	4550	4500
		Bodeli	99	Shanker 6 (B) 30mm Fine	4500	4700	4600
		Halvad	256.28	Other	4400	4620	4525
		Jamkandorna	4.2	Cotton (Unginned)	4305	4450	4410
		Jasdan	350	Other	3500	4545	4350
		Jhagadiya	5	Other	4000	4450	4300
		Junagadh	95.5	Other	4000	4550	4225
		Lalpur	86.5	Other	1762	1850	1800
		Morbi	208.3	Other	3900	4690	4295

		Palitana	1000	Other	3500	4500	4000
		Rajula	80	Shanker 6 (B) 30mm Fine	4205	4500	4353
		Savarkundla	100	Other	4275	4560	4420
		Siddhpur	188.4	Other	4175	4615	4395
		Unava	5	Other	4105	4575	4550
		Vadgam	0.8	Other	4425	4455	4440
		Vadhvan	2.9	Shanker 6 (B) 30mm Fine	4500	4555	4527
		Vakener	210	Other	4175	4615	4510
		Vijapur	252.1	Other	4350	4605	4525
		Visnagar	430.3	Other	4250	4610	4430
	Karnataka	Bijapur	139	LH-1556	2380	4213	3949
		Chikkamagalore	19	Varalakshmi (Ginned)	3250	3400	3300
		Chitradurga	239	Varalakshmi (Ginned)	2899	4910	4260
		Davangere	38	MCU 5	3100	4290	3890
		Gadag	8	GCH	3005	4065	4000
		Gundlupet	9	Other	2800	3025	3025
		Haveri	1284	GCH	3689	4269	4079
		Hubli	88	GCH	2893	4289	4039
		Hunsur	8	Other	3470	3470	3470
		Kottur	299	GCH	2869	4419	4040
		Raichur	163	F-1054	3700	4312	4009
		Ranebennur	976	GCH	2869	4339	3929
		Santhesargur	86	Krishna	3000	3500	3300
		Savanur	160	GCH	3719	4211	3965
		Shorapur	12	Hampi (Ginned)	3405	4015	3965
		Soundati	161	LD-327	3789	4251	4159
	Madhya Pradesh	Bhikangaon	NR	Other	4200	4530	4365
		Khetia	134.3	H4	4300	4525	4413
		Sonsar	265.6	H4	4040	4300	4200
	Punjab	Bariwala	7	Other	3175	4100	4070
		Dhuri	3.8	American	3540	4200	3900
		Faridkot	8	American	3900	4050	4025
		Jaitu	44	Other	3605	4270	4240
		Malout	191	Other	3600	4215	4175
		Mansa	735	American	2900	4250	4100
		Raman	210	Other	3400	4175	4135
	Rajasthan	Anoopgarh	148	American	3880	4040	3960
		Gajsinghpur	599	American	3951	4225	4150
		Hanumangarh	508.9	American	3700	4313	4250
		Padampur	58.1	American	3660	4079	3915
		Raisingh Nagar	74	American	3850	4080	4017
		Sangriya	1427	Other	3800	4217	4188
		Sri Karanpur	78.4	American	3300	4074	3850
	Tamil Nadu	Usilampatty	NR	LRA	2530	2630	2580
		Villupuram	1	Other	4160	NR	NR
Jute	Andhra Pradesh	Bobbili	2	Jute	1600	1800	1700

	Assam	Bohorihat	90	TD-5	1600	2150	1875
	West Bengal	Beldanga	270	TD-5	1910	1985	1960
		Coochbehar	62.5	TD-5	2150	2200	2175
		Islampur	40	TD-5	1900	1950	1925
		Jiaganj	190	TD-5	1850	1950	1900
		Kalna	18	TD-5	1930	2000	1960
		Katwa	5	TD-5	1900	2050	2000
		Raiganj	60	TD-5	1850	1950	1900
		Samsi	200	Jute	1850	1950	1900
Cotton Seed	Uttar Pradesh	Muzzafarnagar	NR	Other	2450	2600	2550

Cotlook Index: As on 16/11/2011

Cotlook Indices	Cents/Pound	Change
A-Index	108.15	2.55

China Cotton Index: As on 17/11/2011

Index	RMB/Ton	Change
CCIndex(328)	19196	-16
CCIndex(527)	16701	-8
CCIndex(229)	20606	-29

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

USDA Cotton Spot rates: As on 16/11/2011

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	99.48	101.23	980
North Delta	98.48	99.48	Nil
South Delta	98.48	99.48	Nil
East TX-OK	95.50	98.25	3,518
West Texas	95.50	98.00	4,152
Desert SW	99.48	105.48	Nil
SJ Valley	100.48	110.38	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 16/11/2011

Contract	Open	High	Low	Close	Change
Dec-11	102.50	104.36	102.07	103.50	0.84
Mar-12	99.70	100.88	98.45	100.48	-0.14
May-12	99.60	100.68	98.50	100.48	-0.09
Jul-12	98.25	100.29	98.25	100.13	0.10
Oct-12	99.01	99.83	99.00	99.83	0.32
Dec-12	95.25	96.60	95.25	96.38	-0.13

*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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