

**Cotton Domestic Fundamentals:**

Cotton prices remained mixed on Monday's trade amid firm export demand in the market. Total arrival in the country was 110,000 bales compared to 110,000-120,000 on Saturday. Yarn demand remained weak and may restrict further upside. Exports price of combed cotton yarn were placed at 3.35-3.40 dollar per kg CNF. However, sources added that only few exporters were buying to cover their quota which has pulled markets lower over the last 3-4 days. Meanwhile, Cotton Imports from China were higher at 252,295 tons, almost triple compared to last year. While January-October imports was at 2.2 million tons up 2.4 percent from same period last year.

**Cotton Futures**

NCDEX Kapas April 2012 contract finished higher by 0.2 per cent over previous settlement price. Rise in open interest along with prices indicate that an uptrend is in place and is likely to be sustained.

**Cotton International Fundamentals**

Cotton futures remained weak on profit-taking led amid worries about overall global demand even after another higher sale figures to China. Cotton for March delivery ended lower to settle at 93.27 cents a pound on ICE Futures. Cotton futures were also influenced by USDA's report on hike in its global carry-over estimate to a 3-yr high of 54.96 million bales and the cut in its U.S. export forecast to 11.3 million bales from 11.5 estimated in October. However cotton export from US remains higher at net all-cotton sales of 646,800 running bales for 2011-12, out of which China took 630,200 running bales net.

**Outlook: Domestic and International**

**In the short term, domestic cotton prices move lower on weakening demand.**

**U.S markets may trade range bound to weak on weak Chinese demand and higher carry-forward stocks.**

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

| Contract | +/- | Open  | High  | Low   | Close |
|----------|-----|-------|-------|-------|-------|
| Feb-12   | 1.3 | 738.0 | 738.0 | 718.9 | 719.0 |
| Mar-12   | 1.1 | 722.0 | 722.0 | 718.6 | 718.6 |
| Apr-12   | 1.4 | 716.0 | 722.5 | 712.1 | 715.5 |

**Volumes and OI in Lots**

| Contract | Volume | Change | OI    | Change |
|----------|--------|--------|-------|--------|
| Feb-12   | 16     | -16    | 150   | 2      |
| Mar-12   | 2      | -15    | 40    | -      |
| Apr-12   | 3082   | -441   | 11557 | 227    |

| Spread | Feb-12 | Mar-12 | Apr-12 |
|--------|--------|--------|--------|
| Basis  | 151.0  | 151.4  | 154.5  |
| Feb-12 | -      | -0.4   | -3.5   |
| Mar-12 |        | -      | -3.1   |
| 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-12   | -0.2 | 729.0 | 735.2 | 726.0 | 728.2 |
| Apr-12   | 1.1  | 729.8 | 735.0 | 726.8 | 729.0 |

**Volumes and OI in Lots**

| Contract | Volume | Change | OI   | Change |
|----------|--------|--------|------|--------|
| Mar-12   | 182    | -27    | 675  | -      |
| Apr-12   | 308    | -118   | 1688 | 45     |

| Spread | Mar-12 | Apr-12 |
|--------|--------|--------|
| Basis  | 141.8  | 141.0  |
| Mar-12 | -      | 0.8    |
| 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   | -50 | 17480 | 17540 | 17390 | 17390 |
| Jan-12   | -50 | 17480 | 17540 | 17390 | 17390 |
| Mar-12   | -60 | 17890 | 17920 | 17790 | 17800 |

## Cotton Prices at Key Spot Markets

| Centre                   | Prices    |           | Change |
|--------------------------|-----------|-----------|--------|
|                          | 21-11-11  | 19-11-11  |        |
| Kadi – Bt Cotton#        | 4450-4600 | 4400-4625 | -25    |
| Amravati – Vunni Mech-1# | 4100-4400 | 4200-4400 | Unch   |
| Ahmedabad – Shankar-6#   | 4250-4450 | 4250-4450 | Unch   |
| Abhor – J-34*            | 3460      | 3520      | -80    |
| Muktsar – J-34*          | 4050      | 3520      | 530    |

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

## Cotton Arrivals in Key Centers

| Centre                 | Arrivals |          | Change |
|------------------------|----------|----------|--------|
|                        | 21-11-11 | 19-11-11 |        |
| Kadi –Bt Cotton        | 125      | 250      | -175   |
| Amravati –Vunni Mech-1 | 600      | 800      | -200   |
| Ahmedabad – Shankar-6  | 25000    | 25000    | Unch   |
| Abohar                 | 1000     | 1100     | -100   |
| Muktsar                | 400      | 250      | 150    |

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

## Prices of Cotton and Jute at Other Centers: As on 21/11/2011

| Commodity | State          | Market Center  | Arrivals | Variety                 | Minimum Price | Maximum Price | Modal Price |
|-----------|----------------|----------------|----------|-------------------------|---------------|---------------|-------------|
|           |                |                | Tonnes   |                         | Rs/Quintal    |               |             |
| Cotton    | Andhra Pradesh | Adilabad       | 1194.6   | Cotton (Unginned)       | 3800          | 4011          | 3905        |
|           |                | Asifabad       | 71.8     | Cotton (Unginned)       | 3850          | 4000          | 3950        |
|           |                | Bhainsa        | 478.8    | Cotton (Unginned)       | 4201          | 4230          | 4201        |
|           |                | Chilakaluripet | 0.1      | Other                   | 3400          | 3600          | 3500        |
|           |                | Choppadandi    | 80.8     | Cotton (Unginned)       | 3700          | 3890          | 3800        |
|           |                | Kuber          | 80.2     | Cotton (Unginned)       | 4100          | 4150          | 4125        |
|           |                | Macharla       | 0.1      | Other                   | 3700          | 3980          | 3750        |
|           |                | Peddapuram     | 42.8     | Desi                    | 3000          | 3700          | 3500        |
|           |                | Proddatur      | NR       | MCU 5                   | 4300          | 4400          | 4350        |
|           | Gujarat        | Amreli         | 189      | Other                   | 2525          | 4550          | 4460        |
|           |                | Bagasara       | 41       | Other                   | 3750          | 4460          | 4105        |
|           |                | Balasinor      | NR       | Other                   | 3500          | 3750          | 3750        |
|           |                | Bhiloda        | 100      | Other                   | 4350          | 4500          | 4400        |
|           |                | Bodeli         | 40       | Shanker 6 (B) 30mm Fine | 4500          | 4650          | 4575        |
|           |                | Damnagar       | 3.12     | Shanker 6 (B) 30mm Fine | 4375          | 4550          | 4515        |
|           |                | Dhoraji        | 51.4     | H.B (Unginned)          | 3875          | 4440          | 4375        |
|           |                | Gondal         | 256.6    | Cotton (Unginned)       | 2000          | 4415          | 4375        |

|  |                |              |        |                         |      |      |      |
|--|----------------|--------------|--------|-------------------------|------|------|------|
|  |                | Halvad       | 269.64 | Other                   | 4205 | 4555 | 4450 |
|  |                | Jamkandorna  | 2.8    | Cotton (Unginned)       | 4350 | 4410 | 4380 |
|  |                | Jamnagar     | 1749   | Other                   | 4000 | 4565 | 4300 |
|  |                | Jasdan       | 200    | Other                   | 3500 | 4400 | 4200 |
|  |                | Jepur Pavi   | 18     | Shanker 6 (B) 30mm Fine | 4500 | 4600 | 4550 |
|  |                | Lalpur       | 61.5   | Other                   | 1250 | 1752 | 1700 |
|  |                | Morbi        | 171.7  | Other                   | 3875 | 4600 | 4238 |
|  |                | Palitana     | 1300   | Other                   | 3500 | 4375 | 3937 |
|  |                | Rajula       | 78     | Other                   | 3755 | 4475 | 4115 |
|  |                | Savarkundla  | 100    | Other                   | 4100 | 4450 | 4275 |
|  |                | Savli        | NR     | G-6                     | 4225 | 4300 | 4250 |
|  |                | Vadgam       | 6.2    | Other                   | 4255 | 4325 | 4290 |
|  |                | Vadhvan      | 5.6    | Shanker 6 (B) 30mm Fine | 4205 | 4415 | 4310 |
|  |                | Visnagar     | 402.8  | Other                   | 4300 | 4470 | 4385 |
|  | Karnataka      | Arasikere    | 9      | Varalakshmi (Ginned)    | 3000 | 3000 | 3000 |
|  |                | Bijapur      | 264    | LH-1556                 | 1600 | 4320 | 4010 |
|  |                | Davangere    | 82     | MCU 5                   | 3300 | 4230 | 3906 |
|  |                | Dharwar      | 7      | GCH                     | 4069 | 4419 | 4244 |
|  |                | Gadag        | 74     | GCH                     | 2026 | 4103 | 4050 |
|  |                | Haliyala     | 198    | Varalakshmi (Ginned)    | 4209 | 4969 | 4869 |
|  |                | Haveri       | 1149   | GCH                     | 3741 | 4169 | 3989 |
|  |                | Hubli        | 140    | GCH                     | 3519 | 4269 | 4119 |
|  |                | Mundgod      | 7      | Aka-1 (Unginned)        | 4025 | 4025 | 4025 |
|  |                | Nargunda     | 51     | GCH                     | 4047 | 4256 | 4116 |
|  |                | Raichur      | 301    | F-1054                  | 3600 | 4170 | 3926 |
|  |                | Ranebennur   | 1645   | GCH                     | 3236 | 4350 | 3891 |
|  |                | Santhesargur | 33     | Krishna                 | 3300 | 3507 | 3300 |
|  |                | Savanur      | 200    | GCH                     | 3781 | 4201 | 3991 |
|  |                | Shorapur     | 2      | Hampi (Ginned)          | 3835 | 3975 | 3965 |
|  |                | Soundati     | 249    | LD-327                  | 4009 | 4299 | 4169 |
|  | Madhya Pradesh | Khandwa      | 151    | Other                   | 4301 | 4406 | 4350 |
|  |                | Khargone     | 692.5  | Other                   | 4251 | 4509 | 4355 |
|  |                | Khetia       | 131.1  | H4                      | 3800 | 4440 | 4120 |
|  |                | Lahorda      | 475    | H4                      | 4200 | 4400 | 4300 |
|  |                | Pandhurna    | 90     | Other                   | 3900 | 4300 | 4100 |
|  |                | Ratlam       | 3.7    | Other                   | 4200 | 4311 | 4250 |
|  | Maharashtra    | Aheri        | 6      | Other                   | 4000 | 4000 | 4000 |
|  |                | Akola        | 33.4   | Other                   | 4285 | 4451 | 4350 |
|  |                | Parbhani     | 50     | Other                   | 4330 | 4370 | 4355 |
|  |                | Vani         | 10.2   | Other                   | 4100 | 4175 | 4137 |
|  | Punjab         | Bariwala     | 35     | Other                   | 3200 | 4200 | 4150 |
|  |                | Jaitu        | 57     | Other                   | 3300 | 4085 | 4050 |
|  |                | Kotkapura    | 48.5   | American                | 3000 | 3967 | 3825 |

|      |                |                  |       |                 |      |      |      |
|------|----------------|------------------|-------|-----------------|------|------|------|
|      |                | Malout           | 206.5 | Other           | 3855 | 4100 | 4060 |
|      |                | Mansa            | 730   | American        | 3100 | 4100 | 4050 |
|      |                | Sangrur          | 14.2  | American        | 3800 | 4085 | 4050 |
|      | Rajasthan      | Anoopgarh        | 90.5  | American        | 3925 | 4025 | 3988 |
|      |                | Gajsinghpur      | 679   | American        | 3691 | 4051 | 3950 |
|      |                | Hanumangarh      | 632.1 | American        | 3760 | 4194 | 4120 |
|      |                | Padampur         | 130.3 | American        | 3650 | 4072 | 3901 |
|      |                | Raisingh Nagar   | 119   | American        | 3750 | 3958 | 3925 |
|      |                | Sri Karanpur     | 90.9  | American        | 3830 | 4149 | 3975 |
|      | Tamil Nadu     | Annur            | NR    | Other           | 3900 | 4150 | 4025 |
|      |                | Konganapuram     | NR    | Cotton (Ginned) | 3900 | 4350 | 4125 |
|      |                | Salem            | NR    | DCH-32 (Ginned) | 4000 | 4500 | 4250 |
|      |                | Tiruchengode     | NR    | LRA             | 3900 | 4300 | 4100 |
|      |                | Usilampatty      | NR    | LRA             | 2530 | 2630 | 2580 |
|      |                | Villupuram       | 2     | Other           | 1515 | NR   | NR   |
| Jute | Andhra Pradesh | Bobbili          | 2.5   | Jute            | 1600 | 1800 | 1700 |
|      |                | Gajapathinagaram | 6.3   | Jute            | 1800 | 2000 | 1900 |
|      |                | Vijayanagaram    | 0.3   | Jute            | 2200 | 2400 | 2300 |
|      | Assam          | Bohorihat        | 60    | TD-5            | 1500 | 2200 | 1850 |
|      |                | Kharupetia       | 80    | Other           | 1000 | 1125 | 1100 |
|      | West Bengal    | Beldanga         | 240   | TD-5            | 1900 | 1980 | 1950 |
|      |                | Bethuadahari     | 150   | TD-5            | 1795 | 1810 | 1800 |
|      |                | Raiganj          | 57.5  | TD-5            | 1850 | 1950 | 1900 |
|      |                | Samsi            | 20    | Jute            | 1850 | 1950 | 1900 |

### Cotlook Index: As on 18/11/2011

| Cotlook Indices | Cents/Pound | Change |
|-----------------|-------------|--------|
| A-Index         | 104.75      | -3.40  |

### China Cotton Index: As on 21/11/2011

| Index        | RMB/Ton | Change |
|--------------|---------|--------|
| CCIndex(328) | 19142   | -34    |
| CCIndex(527) | 16653   | -44    |
| CCIndex(229) | 20519   | -43    |

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

### USDA Cotton Spot rates: As on 18/11/2011

| Growth Area | Leaf 4 to Staple 34 | Leaf 3 to Staple 35 | Arrivals |
|-------------|---------------------|---------------------|----------|
|             | cents/lb.           |                     | bales    |
| Southeast   | 92.27               | 94.02               | 1,976    |
| North Delta | 91.27               | 92.27               | Nil      |
| South Delta | 91.27               | 92.27               | Nil      |
| East TX-OK  | 88.25               | 91.00               | 18       |
| West Texas  | 88.25               | 90.75               | Nil      |
| Desert SW   | 92.27               | 98.27               | Nil      |
| SJ Valley   | 93.27               | 103.17              | 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 18/11/2011

| Contract | Open | High | Low | Close | Change |
|----------|------|------|-----|-------|--------|
|----------|------|------|-----|-------|--------|

|               |       |        |       |       |              |
|---------------|-------|--------|-------|-------|--------------|
| <b>Dec-11</b> | 99.19 | 100.15 | 94.77 | 94.81 | <b>-4.69</b> |
| <b>Mar-12</b> | 96.48 | 97.74  | 93.12 | 93.27 | <b>-3.21</b> |
| <b>May-12</b> | 96.67 | 97.77  | 93.00 | 93.42 | <b>-3.30</b> |
| <b>Jul-12</b> | 96.45 | 97.57  | 93.46 | 93.59 | <b>-3.06</b> |
| <b>Oct-12</b> | 96.00 | 96.00  | 93.89 | 93.89 | <b>-2.75</b> |
| <b>Dec-12</b> | 93.85 | 94.59  | 91.00 | 91.00 | <b>-2.64</b> |

\*Prices in USc

**Pakistan Cotton Spot rates: As on 21/11/2011 (in Pakistan Rupees)**

| <b>Product</b>    | <b>Rate for</b> | <b>Ex-Gin Price</b> | <b>Up Country Sales</b> | <b>Spot Rate Karachi</b> |
|-------------------|-----------------|---------------------|-------------------------|--------------------------|
| <b>Cotton</b>     | 37.324 Kgs      | 5800                | 130                     | 5930                     |
| <b>Equivalent</b> | 40 Kgs          | 6216                | 130                     | 6340                     |

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