

Cotton Domestic Fundamentals:

Cotton prices remained mixed on Tuesday's as selling remained lower at lower levels. Arrivals were lower as farmers were waiting for government reaction on issue of minimum support price hike. Total arrival in the country was 105,000 bales lower compared to 110,000 bales on the previous day. Domestic demand and Yarn demand remained lower. However weaker rupee against the dollar may support exports of Yarn. Prices downtrend may also supported by higher production estimates from Cotton Advisory Board (CAB) at 356 lakh bales compared to initial estimate at 355 lakh bales.

Cotton International Fundamentals

Cotton futures ends lower on reports from Cotlook that world long-staple cotton production will outpace consumption by 130,000 metric tons in the 2011-12 marketing year. Futures were also lower on investor liquidation as European debt woes and budget deadlock in the US highlighted fears a global recession would cripple demand for cotton. The March cotton futures fell 2.86 cents to end at 90.41 cents. Sources added that buying intentions may slow down from China as they may wait for prices to decline further. Markets were also influenced by higher arrivals of 7.969 million bales till date from the start of the season against 7.453 million bales received last year. However sources added that due to heavy rains and devastating floods in especially in Sindh, quality of cotton has been damaged more than quantity of cotton.

Outlook: Domestic and International

In the short term, domestic cotton prices move steady to firm on lower arrivals.

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	0.2	719.0	725.0	719.0	725.0
Mar-12	-	-	-	-	-
Apr-12	3.6	711.6	721.0	711.6	718.9

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-12	24	8	140	-10
Mar-12	0	-2	40	-
Apr-12	1610	-1472	11638	79

Spread

	Feb-12	Mar-12	Apr-12
Basis	145.0	-	151.1
Feb-12	-	-	-6.1
Mar-12	-	-	-
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	3.2	728.7	733.5	727.2	731.0
Apr-12	2.8	727.7	734.0	726.7	731.9

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-12	76	-106	680	5
Apr-12	179	-129	1661	-27

Spread

	Mar-12	Apr-12
Basis	139.0	138.1
Mar-12	-	0.9
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	-10	17300	17430	17300	17390
Jan-12	-	17290	17430	17290	17400
Mar-12	-80	17700	17760	17690	17730

Cotton Prices at Key Spot Markets

Centre	Prices		Change
	22-11-11	21-11-11	
Kadi – Bt Cotton#	4375-4550	4450-4600	-50
Amravati – Vunni Mech-1#	4100-4400	4100-4400	Unch
Ahmedabad – Shankar-6#	4250-4450	4250-4450	Unch
Abhor – J-34*	3470	3460	10
Muktsar – J-34*	3490	4050	-560

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	22-11-11	21-11-11	
Kadi –Bt Cotton	250	125	125
Amravati –Vunni Mech-1	600	600	Unch
Ahmedabad – Shankar-6	25000	25000	Unch
Abohar	1000	1000	Unch
Muktsar	500	400	100

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 22/11/2011

Commodity	State	Market Center	Arrivals	Variety	Minimum Price	Maximum Price	Modal Price
			Tonnes		Rs/Quintal		
Cotton	Andhra Pradesh	Adilabad	1362.7	Cotton (Unginned)	3850	3950	3930
		Asifabad	377	Cotton (Unginned)	3750	4000	3900
		Bhainsa	571.6	Cotton (Unginned)	4100	4230	4150
		Choppadandi	63.6	Cotton (Unginned)	3650	3885	3830
		Indravelly	93.2	Cotton (Unginned)	3950	3970	3960
		Khammam	406	Cotton (Unginned)	3700	4000	3800
		Kuber	78.3	Cotton (Unginned)	4150	4200	4150
		Peddapalli	147.8	Cotton (Unginned)	3500	3900	3800
		Proddatur	NR	MCU 5	4300	4400	4350
		Tadipatri	NR	MCU 5	3800	3900	3850
	Gujarat	Amod	NR	Shanker 6 (B) 30mm Fine	4200	4400	4300
		Amreli	61.5	Other	2850	4510	4450
		Bhiloda	40	Other	4250	4375	4325
		Bodeli	120	Shanker 6 (B) 30mm Fine	4200	4550	4450
		Damnagar	1.62	Shanker 6 (B) 30mm	4400	4540	4505

				Fine			
		Dhoraji	37.6	H.B (Unginned)	3755	4425	4360
		Halvad	260.54	Other	4150	4505	4350
		Himatnagar	45.6	Other	4200	4350	4275
		Jamkandorna	1.8	Cotton (Unginned)	4305	4340	4330
		Jamnagar	1543	Other	4000	4545	4273
		Kadi	30	Other	4350	4465	4400
		Lalpur	78	Other	1270	1756	1710
		Morbi	218.2	Other	3875	4555	4215
		Palitana	1000	Other	3500	4350	3925
		Rajula	60	Other	4205	4395	4300
		Savarkundla	100	Other	4150	4430	4290
		Una	70	Shanker 6 (B) 30mm Fine	4155	4475	4325
		Unava	5.2	Other	4005	4355	4340
		Vadgam	0.3	Other	4300	4300	4300
		Vakener	150	Other	3850	4475	4375
		Vijapur	176	Other	4000	4450	4350
		Visnagar	418.9	Other	4150	4410	4280
	Karnataka	Bellary	44	LD-327	3566	4406	4106
		Bijapur	171	LH-1556	1220	4220	4010
		Chamaraj Nagar	8	Other	3300	3500	3300
		Chitradurga	282	Varalakshmi (Ginned)	3560	4750	4150
		Davangere	41	MCU 5	3300	4200	3848
		Gundlupet	17	Other	2800	3200	3000
		Hirekerur	6	GCH	3900	3900	3900
		Honnali	11	Varalakshmi (Ginned)	4100	4100	4100
		Kudchi	NR	Varalakshmi (Ginned)	3700	3900	3800
		Nargunda	60	GCH	3940	4074	4040
		Raichur	332	F-1054	3569	4162	3890
		Ranebennur	10	GCH	3720	4109	3850
		Santhesargur	665	Krishna	3200	3400	3300
		Shimoga	146	LD-327	4669	4829	4749
		Shorapur	4	Hampi (Ginned)	3815	3985	3976
		Sindhanur	10	F-1054	4350	4350	4350
		Soundati	11	R-51 (Ginned)	3869	4169	4011
		Tarikere	9	Varalakshmi (Ginned)	4648	4648	4648
	Madhya Pradesh	Khandwa	130	Other	4150	4300	4268
		Khetia	92	H4	4220	4430	4325
		Lahorda	32.5	H4	4095	4305	4250
		Manawar	53	Other	4000	4200	4100
	Punjab	Ahmedgarh	10	American	3000	4245	4000
		Raman	133	Other	3495	4090	4065

	Rajasthan	Anoopgarh	161.3	American	3750	4025	3888
		Gajsinghpur	710	American	3775	3990	3920
		Jaitsar	565	American	3650	3960	3900
		Kesarisinghpur	22.1	American	4201	4666	4606
		Padampur	70.6	American	3500	3958	3815
		Raisingh Nagar	136	American	3760	3973	3943
		Rani	12	Other	4100	4100	4100
		Sri Karanpur	97.3	American	3500	3920	3778
		Sumerpur	117	Other	4000	4190	4050
	Tamil Nadu	Annur	NR	Other	3900	4150	4025
		Konganapuram	NR	cotton (Ginned)	3900	4350	4125
		Kovilpatti	NR	LRA	3000	4000	3500
		Salem	NR	DCH-32 (Ginned)	4000	4500	4250
		Tiruchengode	NR	LRA	3900	4300	4100
Jute	Andhra Pradesh	Bobbili	1.3	Jute	1600	1800	1700
		Vijayanagaram	0.5	Jute	2200	2400	2300
	Assam	Bohorihat	50	TD-5	1500	2150	1825
	West Bengal	Bethuadahari	100	TD-5	1745	1760	1750
		Coochbehar	72.5	TD-5	2000	2075	2050
		Kalna	18	TD-5	1960	2030	1990
		Karimpore	60	TD-5	1750	1800	1750
		Katwa	7	TD-5	2000	2100	2050
		Mekhliganj	14	Other	2000	2150	2125
		Raiganj	57	TD-5	1850	1950	1900
		Samsi	25	Jute	1850	1950	1900
Cotton Seed	Gujarat	Mansa	167	Other	3800	4420	4350
	Uttar Pradesh	Muzzafarnagar	NR	Other	2450	2600	2550

Cotlook Index: As on 21/11/2011

Cotlook Indices	Cents/Pound	Change
A-Index	102.4	-2.35

China Cotton Index: As on 22/11/2011

Index	RMB/Ton	Change
CCIndex(328)	19122	-20
CCIndex(527)	16626	-27
CCIndex(229)	20458	-61

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

USDA Cotton Spot rates: As on 21/11/2011

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	89.41	91.16	Nil
North Delta	88.41	89.41	Nil
South Delta	88.41	89.41	Nil
East TX-OK	85.50	88.25	264
West Texas	85.50	88.00	1,065
Desert SW	89.41	95.41	Nil
SJ Valley	90.41	100.31	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 21/11/2011**

Contract	Open	High	Low	Close	Change
Dec-11	95.16	95.78	90.81	90.81	-4.00
Mar-12	93.44	93.71	90.16	90.41	-2.86
May-12	93.40	93.51	90.25	90.70	-2.72
Jul-12	93.00	93.64	90.35	90.93	-2.66
Oct-12	91.80	92.20	91.80	92.08	-1.81
Dec-12	91.32	91.32	89.11	89.63	-1.37

*Prices in USc

Pakistan Cotton Spot rates: As on 22/11/2011 (in Pakistan Rupees)

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

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