

Cotton Domestic Fundamentals:

Cotton prices remained mixed on Wednesday's trade with prices in Abohar, Muktsar and Kadi ended higher supported by demand from exporters and millers. Prices remained weak in Ahmedabad and Amravati. Arrivals were lower as farmers were waiting for government reaction on issue of minimum support price hike and all-party meeting called by Maharashtra Chief Minister on price hike of cotton today remained inconclusive with no decision taken on the issue. Total arrival in the country was 100,000 bales lower compared to 105,000 bales on the previous day. Export demand remained firm for cotton yarn due to a weak rupee at 52.1005 against the dollar. Prices may weaken in the 2 months as China may cut orders at a time when domestic supplies are set to peak.

Cotton International Fundamentals

Cotton futures ends higher amid reports of weak macroeconomic data may reduce demand for the fiber. Cotton futures for March delivery rose 0.8% to 91.12 cents a pound. Sources added that the European debt problems have traders worried about demand going forward and fears of it spreading to the U.S. So, there are issues facing future demand. Trader sources also added that China which was buying for some time may reduce their buying activity as they have enough stockpiles for the year. Markets however could be influenced by higher carry-forward for 2011-12 and prices are likely to stay under pressure through the remainder of 2011 and into early 2012.

Outlook: Domestic and International

In the short term, domestic cotton prices move range amid anticipation of peak arrival season.

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	-6.5	727.0	728.5	713.0	715.0
Mar-12	-0.2	720.1	720.1	720.1	720.1
Apr-12	-10.8	719.9	722.5	705.0	708.0

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-12	25	1	140	-
Mar-12	2	2	40	-
Apr-12	5357	3747	11873	245

Spread

	Feb-12	Mar-12	Apr-12
Basis	151.0	145.9	158.0
Feb-12	-	5.1	-7.0
Mar-12	-	-	-12.1
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	-7.4	734.8	735.0	720.2	724.5
Apr-12	-9.2	733.0	735.4	720.0	722.5

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-12	278	202	693	13
Apr-12	410	231	1729	68

Spread

	Mar-12	Apr-12
Basis	141.5	143.5
Mar-12	-	-2.0
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	17420	17600	17210	17250
Jan-12	-160	17420	17670	17240	17240
Mar-12	-250	17790	17820	17500	17500

Cotton Prices at Key Spot Markets

Centre	Prices		Change
	23-11-11	22-11-11	
Kadi – Bt Cotton#	4350-4575	4375-4550	25
Amravati – Vunni Mech-1#	4000-4250	4100-4400	-150
Ahmedabad – Shankar-6#	4260-4400	4250-4450	-50
Abhor – J-34*	3550-3700	3470	230
Muktsar – J-34*	3550	3490	60

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	23-11-11	22-11-11	
Kadi –Bt Cotton	300	250	50
Amravati –Vunni Mech-1	300	600	-300
Ahmedabad – Shankar-6	20000	25000	-5000
Abohar	1000	1000	Unch
Muktsar	500	500	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 23/11/2011

Commodity	State	Market Center	Arrivals	Variety	Minimum Price	Maximum Price	Modal Price
			Tonnes		Rs/Quintal		
Cotton	Andhra Pradesh	Adilabad	899.6	Cotton (Unginned)	3700	3900	3850
		Badepalli	415.1	Desi	3502	3939	3855
		Bhainsa	543.9	Cotton (Unginned)	4000	4131	4100
		Chilakaluripet	0.1	Other	3500	3700	3600
		Choppadandi	63.8	Cotton (Unginned)	3650	3850	3800
		Indravelly	62.3	Cotton (Unginned)	3900	3960	3920
		Khammam	512	Cotton (Unginned)	3650	3925	3725
		Kuber	51	Cotton (Unginned)	4075	4125	4100
		Narsampet	160	Cotton (Unginned)	3750	3820	3780
		Parvathipuram	9.6	Desi	3900	3950	3925
		Peddapalli	139.4	Cotton (Unginned)	3650	4100	3950
		Pidugurala	0.1	Cotton (Unginned)	3600	3800	3700
		Proddatur	NR	MCU 5	4100	4200	4150
		Tadipatri	NR	MCU 5	3800	4000	3900
	Gujarat	Amreli	126	Other	3175	4475	4420
		Bagasara	44.4	Other	3950	4410	4186
		Bodeli	105	Shanker 6 (B) 30mm Fine	4300	4418	4400

		Damnagar	2.32	Shanker 6 (B) 30mm Fine	4375	4505	4475
		Deesa	9	Other	4200	4240	4225
		Halvad	224.1	Other	4055	4435	4300
		Jam Jodhpur	128	Desi	3900	4450	4200
		Jamkandorna	2.8	Cotton (Unginned)	4165	4280	4255
		Jamnagar	1979	Other	4000	4425	4213
		Jasdan	180	Other	3500	4350	4125
		Jhagadiya	5	Other	4000	4400	4200
		Lalpur	87	Other	1602	1760	1720
		Palitana	800	Other	3375	4375	3875
		Rajula	62.5	Shanker 6 (B) 30mm Fine	4110	4375	4243
		Savarkundla	100	Other	4125	4400	4265
		Savli	NR	G-6	4000	4250	4200
		Siddhpur	200.8	Other	4015	4395	4205
		Una	60	Shanker 6 (B) 30mm Fine	4130	4400	4300
		Unava	4	Other	4000	4355	4315
		Vadgam	0.38	Other	4180	4275	4228
		Vadhvan	2.4	Shanker 6 (B) 30mm Fine	4280	4350	4315
		Vakener	140	Other	3875	4445	4350
		Visnagar	342.4	Other	4100	4360	4230
	Karnataka	Arasikere	9	Varalakshmi (Ginned)	2700	2700	2700
		Bijapur	166	LH-1556	2000	4244	4006
		Chamaraj Nagar	7	Other	3200	3500	3300
		Davangere	59	MCU 5	3109	4270	3810
			NR	Varalakshmi (Ginned)	4160	4530	4344
		Gadag	44	GCH	3069	4075	3901
		Hirekerur	83	GCH	3015	3500	3400
		Hubli	100	GCH	3509	4222	4099
			NR	Varalakshmi (Ginned)	4709	4893	4797
		Jagalur	1	LH-1556	3600	4000	3800
		Raichur	204	F-1054	3589	4125	3849
		Ranebennur	235	GCH	3509	4096	3869
		Sankeshwar	1	Other	3700	3800	3750
		Santhesargur	124	Krishna	3300	3500	3400
		Savanur	5	GCH	3609	4051	3830
		Shimoga	637	LD-327	4617	4847	4732
	Madhya Pradesh	Khandwa	144	Other	4281	4369	4351
		Khetia	52	H4	4180	4420	4300
		Manawar	44	Other	4000	4200	4100
	Punjab	Bariwala	5	Other	3900	4100	4050

		Dhuri	8.5	American	3750	4120	4000
		Jaitu	500	Other	3550	4200	4070
		Kotkapura	48.3	American	3150	4011	3966
			NR	Desi	4365	4365	4365
		Malout	226.5	Other	4055	4245	4190
		Raman	126.5	Other	3605	4215	4185
		Sangrur	6.2	American	2500	4160	4000
	Rajasthan	Anoopgarh	187.2	American	3880	4050	3965
			NR	Desi	4500	4765	4633
		Gajsinghpur	614	American	3671	4000	3950
			NR	Desi	4450	4700	4650
		Hanumangarh	332.6	American	3726	4200	4000
			NR	Desi	4700	4850	4750
			34.6	American	3671	4163	3900
		Kesarisinghpur		Kapas (Adoni)	4400	4681	4650
		Merta City	2.5	Other	4000	4100	4050
		Padampur	51.7	American	3501	4039	3955
				Desi	4201	4667	4599
		Raisingh Nagar	74	American	3700	3985	3943
				Desi	4200	4822	4690
		Sri Karanpur	61.1	American	3751	4000	3886
				Desi	4201	4850	4751
		Sumerpur	76	Other	3700	4175	4000
	Tamil Nadu	Annur	5.95	Other	4200	4460	4330
		Konganapuram	NR	cotton (Ginned)	3950	4350	4150
			NR	Other	4300	4600	4450
		Salem	NR	DCH-32 (Ginned)	4000	4500	4250
			NR	Other	4300	5100	4700
		Tiruchengode	NR	LRA	3900	4300	4100
			NR	Other	4200	4600	4400
		Villupuram	20	Other	3079	4189	4160
Jute	Andhra Pradesh	Bobbili	2.5	Jute	1600	1800	1700
		Vijayanagaram	0.1	Jute	2200	2400	2300
	Assam	Bohorihat	40	TD-5	1500	2150	1825
		Kharupetia	120	Other	900	1000	950
			NR	TD-5	1600	1700	1675
	West Bengal	Bethuadahari	100	TD-5	1745	1760	1750
		Coochbehar	71	TD-5	2000	2075	2050
		Kaliaganj	40	TD-5	1750	1850	1800
		Kalna	17	TD-5	1930	2000	1960
		Karimpore	50	TD-5	1750	1800	1750
		Mekhliganj	14	Other	2000	2150	2125
		Pundibari	43	TD-5	2000	2050	2025
		Raiganj	55	TD-5	1750	1850	1800
		Samsi	30	Jute	1850	1950	1900
				TD-5	1750	1850	1800
Cotton Seed	Gujarat	Mansa	158.7	Other	4075	4360	4300
	Maharashtra	Udgir	0.1	Cotton Seed	3500	3500	3500

	Uttar Pradesh	Muzzafarnagar	NR	Other	2450	2600	2550
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Cotton Association of India Spot Rates: As on 22/11/2011

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy
Bengal Deshi (RG)/ Assam Comilla	Below 22mm	5.0 - 7.0	15	35800
Bengal Deshi (SG)	Below 22mm	5.0 - 7.0	15	36700
J-34	25mm	3.5 - 4.9	23	30500
H-4/ MECH-1	28mm	3.5 - 4.9	25	35500
Shankar-6	29mm	3.5 - 4.9	26	37200
Bunny/ Brahma	31mm	3.5 - 4.9	27	36500
MCU-5/ Surabhi	33mm	3.3 - 4.5	28	37800
DCH-32	35mm	2.8 - 3.6	31	48000

Cotlook Index: As on 22/11/2011

Cotlook Indices	Cents/Pound	Change
A-Index	99.6	-2.8

China Cotton Index: As on 23/11/2011

Index	RMB/Ton	Change
CCIndex(328)	19118	-4
CCIndex(527)	16611	-15
CCIndex(229)	20448	-10

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

USDA Cotton Spot rates: As on 22/11/2011

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	90.12	91.87	Nil
North Delta	89.12	90.12	31
South Delta	89.12	90.12	Nil
East TX-OK	85.75	88.50	402
West Texas	85.75	88.25	3,543
Desert SW	90.12	96.12	Nil
SJ Valley	91.12	101.02	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 (Prices in cents/lb.): As on 22/11/2011

Contract	Open	High	Low	Close	Change
Dec-11	90.70	90.75	87.50	89.95	-0.86
Mar-12	90.76	92.10	89.33	91.12	0.71
May-12	91.50	92.40	89.85	91.62	0.92
Jul-12	91.74	92.84	90.40	92.03	1.10
Oct-12	91.00	93.13	91.00	93.13	1.05
Dec-12	90.30	91.50	89.00	90.69	1.06

Pakistan Cotton Spot rates: As on 23/11/2011 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.324 Kgs	5600	130	5730
Equivalent	40 Kgs	6002	130	6132

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