

## Cotton Domestic Fundamentals:

Cotton prices ended lower on Thursday's trade as arrivals increase. Prices were lower as demand remained slow from millers and exporters. Millers were buying only for their immediate consumption. Sources added that prices will move lower on higher arrivals and weaker demand. Exporters are not buying amid weaker rupee and may wait for prices to stabilize. Total arrival in the country was 120,000 bales compared to 100,000 bales during the previous day. Sources added that demand may be lower this as production estimates is to be 356 lakh bales and domestic demand is 350 lakh bales. So 6 lakh bales is a surplus is seen and may restrict upside. Meanwhile, Maharashtra cabinet decided to offer financial help to cotton farmers with a 2-hectare ceiling and the relief could be between Rs1500-2000 per hectare. Also there has been no decision on MSP hike of cotton in Maharashtra or another two weeks.

## Cotton International Fundamentals

Cotton futures for March delivery slipped 0.2% to trade at USc 90.91 a pound. Markets were weighed down by a stronger U.S. dollar. The dollar index was up 0.77% to trade at 79.01. Markets were also influenced by a slowdown of Chinese economy will slowdown the demand for the fiber and reduce US exports to the country. Prices in Pakistan also remained weak as millers and spinners remained inactive in the markets. However, textile industries were buying at lower levels.

## Outlook: Domestic and International

In the short term, domestic cotton prices move range bound to weak on 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	-11.3	720.0	720.2	711.0	711.0
Mar-12	-21.0	699.1	699.1	699.1	699.1
Apr-12	-0.9	707.9	713.0	702.5	707.3

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-12	22	-3	137	-4
Mar-12	1	-1	39	-
Apr-12	3921	-1437	11646	-223

Spread	Feb-12	Mar-12	Apr-12
Basis	144.0	155.9	147.7
Feb-12	-	-11.9	-3.7
Mar-12	-	-	8.2
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	-0.3	720.6	726.6	720.1	723.1
Apr-12	-0.3	719.1	727.0	719.0	722.2

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-12	195	-83	745	49
Apr-12	435	25	1767	38

Spread	Mar-12	Apr-12
Basis	131.9	132.8
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	-20	17230	17270	17150	17240
Jan-12	-30	17200	17260	17150	17240
Mar-12	-80	17480	17500	17430	17450

## Cotton Prices at Key Spot Markets

Centre	Prices		Change
	24-11-11	23-11-11	
Kadi – Bt Cotton#	4250-4550	4350-4575	-25
Amravati – Vunni Mech-1#	-	4000-4250	-
Ahmedabad – Shankar-6#	4200-4350	4260-4400	-50
Abhor – J-34*	3525	3550-3700	-175
Muktsar – J-34*	3525	3550	-25

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

## Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	24-11-11	23-11-11	
Kadi –Bt Cotton	500	300	200
Amravati –Vunni Mech-1	-	300	-
Ahmedabad – Shankar-6	30000	20000	10000
Abohar	500	1000	-500
Muktsar	250	500	-25

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 24/11/2011

Commodity	State	Market Center	Arrivals	Variety	Minimum Price	Maximum Price	Modal Price
			Tonnes		Rs/Quintal		
Cotton	Andhra Pradesh	Adilabad	801	Cotton (Unginned)	3600	3860	3750
		Asifabad	338.4	Cotton (Unginned)	3750	3850	3800
		Bhainsa	562.1	Cotton (Unginned)	4050	4062	4050
		Chilakaluripet	0.1	Other	3400	3600	3500
		Choppadandi	60.4	Cotton (Unginned)	3650	3820	3770
		Karimnagar	89.6	Cotton (Unginned)	3300	3750	3720
		Khammam	672	Cotton (Unginned)	3650	3900	3725
		Kuber	37	Cotton (Unginned)	4030	4050	4040
		Parvathipuram	34.3	Desi	3114	3314	3214
		Peddapalli	122.4	Cotton (Unginned)	3600	3800	3750
		Pidugurala	0.1	Cotton (Unginned)	3600	3800	3700
		Proddatur	NR	MCU 5	4300	4400	4350
		Tadipatri	NR	MCU 5	3900	4000	3950
	Gujarat	Amod	NR	Shanker 6 (B) 30mm Fine	4100	4250	4200
		Amreli	162	Other	2500	4455	4395
		Babra	160	Shanker 6 (B) 30mm	4175	4425	4415

				Fine			
		Bodeli	100	Shanker 6 (B) 30mm Fine	4300	4400	4375
		Damnagar	2.16	Shanker 6 (B) 30mm Fine	4325	4450	4400
		Deesa	12.7	Other	4100	4205	4150
		Gondal	216.9	Cotton (Unginned)	2000	4315	4280
		Halvad	188.46	Other	4055	4360	4250
		Jamkandorna	2.5	Cotton (Unginned)	4225	4285	4255
		Jamnagar	1443	Other	3875	4335	4105
		Jasdan	190	Other	3000	4300	4075
		Kadi	30	Other	4355	4430	4400
		Lalpur	74	Other	1552	1756	1700
		Morbi	175.4	Other	3870	4555	4213
		Savarkundla	120	Other	4120	4395	4260
		Unava	52.3	Other	4000	4355	4325
		Vadgam	0.5	Other	4105	4105	4105
		Vadhvan	2.5	Shanker 6 (B) 30mm Fine	4200	4265	4232
		Vakener	190	Other	4330	4780	4365
		Vijapur	188.3	Other	4000	4330	4275
		Visnagar	323.4	Other	4100	4325	4215
	Karnataka	Chamaraj Nagar	7	Other	3100	3500	3200
		Chitradurga	260	Varalakshmi (Ginned)	3009	4860	4300
		Davangere	47	MCU 5	3105	4243	3719
		Dharwar	2	LH-1556	4239	4239	4239
		Gundlupet	9	Other	3000	3000	3000
		Haveri	1011	GCH	3569	4100	3889
		Hirekerur	104	GCH	3500	4150	3900
		Manvi	5	H-4(A) 27mm Fine	3900	3900	3900
		Nargunda	21	GCH	4100	4191	4150
		Raichur	184	F-1054	3545	4159	3839
		Ranebennur	1527	GCH	2900	4170	3829
		Santhesargur	880	Krishna	3200	3500	3300
		Shimoga	24	LD-327	1700	4200	2950
		Shorapur	6	Hampi (Ginned)	3545	3945	3871
		Sindhanur	9	F-1054	4200	4200	4200
		Soundati	286	Varalakshmi (Ginned)	3869	4169	4049
	Madhya Pradesh	Khetia	74.5	Other	3600	4400	4000
		Lahorda	70.4	H4	3942	4281	4100
		Manawar	74	Other	4000	4200	4100
	Maharashtra	Chaliskaon	4	Other	4000	4300	4150
	Punjab	Raman	148.7	Other	3515	4150	4135

		Sangat	1200	American	3090	4200	4100
		Sangrur	5	American	3615	4100	3770
	Rajasthan	Anoopgarh	127.1	American	3850	4035	3942
		Bilara	44.7	Other	3900	4331	4200
		Hanumangarh	329.4	American	3800	4294	4240
		Kesarisinghpur	56.8	American	3641	4150	4050
		Merta City	9.4	Other	4100	4200	4150
		Sri Karanpur	85	American	3740	4109	3885
		Sumerpur	70.9	Other	2700	4175	4050
		Suratgarh	92	American	3651	3920	3875
	Tamil Nadu	Annur	NR	Other	4200	4460	4330
		Konganapuram	NR	cotton (Ginned)	3950	4350	4150
		Kovilpatti	NR	LRA	3000	4000	3500
		Salem	NR	DCH-32 (Ginned)	4000	4500	4250
		Tiruchengode	NR	LRA	3900	4300	4100
		Villupuram	1	Other	2469	2469	2469
Jute	Andhra Pradesh	Bobbili	4	Jute	1600	1800	1700
		Vijayanagaram	0.7	Jute	2200	2400	2300
	West Bengal	Bethuadahari	100	TD-5	1695	1710	1700
		Coochbehar	62	TD-5	2025	2075	2050
		Islampur	60	TD-5	1800	1850	1825
		Katwa	12	TD-5	2000	2150	NR
		Mekhliganj	15	Other	2000	2150	2125
		Raiganj	55	TD-5	1750	1850	1800
		Samsi	250	Jute	1800	1850	1800

### Cotton Association of India Spot Rates: As on 24/11/2011

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

### Cotlook Index: As on 23/11/2011

Cotlook Indices	Cents/Pound	Change
A-Index	99.95	0.35

### China Cotton Index: As on 24/11/2011

Index	RMB/Ton	Change
CCIndex(328)	19103	-15
CCIndex(527)	16601	-10
CCIndex(229)	20422	-26

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

### USDA Cotton Spot rates: As on 23/11/2011

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales

<b>Southeast</b>	89.91	91.66	52
<b>North Delta</b>	88.91	89.91	3,202
<b>South Delta</b>	88.91	89.91	185
<b>East TX-OK</b>	85.75	88.50	815
<b>West Texas</b>	85.75	88.25	3,661
<b>Desert SW</b>	89.91	95.91	Nil
<b>SJ Valley</b>	90.91	100.81	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 23/11/2011**

<b>Contract</b>	<b>Open</b>	<b>High</b>	<b>Low</b>	<b>Close</b>	<b>Change</b>
<b>Dec-11</b>	90.25	91.70	89.22	90.71	0.76
<b>Mar-12</b>	91.60	91.91	90.10	90.91	-0.21
<b>May-12</b>	92.02	92.20	90.06	90.75	-0.87
<b>Jul-12</b>	92.60	92.60	90.02	90.57	-1.46
<b>Oct-12</b>	91.24	91.24	91.24	91.24	-1.89
<b>Dec-12</b>	91.07	91.35	88.85	88.94	-1.75

**Pakistan Cotton Spot rates: As on 24/11/2011 (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	5500	130	5630
<b>Equivalent</b>	40 Kgs	5894	130	6024

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