

## Cotton Domestic Fundamentals:

Cotton prices ended mixed on Friday's trade as arrivals increase. Demand from millers and exporters remained weak as they anticipate further fall in prices. Total arrival in the country was 130,000 bales compared to 120,000 bales during the previous day. Total exports of cotton products to U.S declined in 2011 by 8.28% year on year. This is mainly on the account of decline in consumption of cotton textiles in the United States. So this may restrict upside. Market participants fear that demand for the fiber may continue to decline due to the Euro zone's economic crisis and farmers may have to settle for a much lesser market rate in the coming months.

## Cotton Futures Market:

**NCDEX Kapas April 2012 contract** finished firm against previous close. The contract traded in the range of Rs. 707-712.9 per 20 kg during the session. 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 has declined to 2,837, lower by 1,084 against previous trading day.

## Cotton International Fundamentals

Cotton futures remained closed on Thursday for the Thanksgiving holiday.

## 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 lower Chinese demand and higher carry-forward stocks.**

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

Contract	+/-	Open	High	Low	Close
Feb-12	-3.5	716.1	720.0	714.0	714.0
Mar-12	-	-	-	-	-
Apr-12	1.7	709.8	712.9	707.0	708.5

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-12	11	-11	138	1
Mar-12	0	-1	39	-
Apr-12	2837	-1087	11520	-127

Spread	Feb-12	Mar-12	Apr-12
Basis	131.0	-	136.5
Feb-12	-	-	-5.5
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	1.1	725.3	726.4	722.0	723.8
Apr-12	0.9	724.4	726.8	721.2	722.4

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-12	198	3	775	30
Apr-12	211	-224	1755	-12

Spread	Mar-12	Apr-12
Basis	121.2	122.6
Mar-12	-	-1.4
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	-40	17240	17370	17130	17180
Jan-12	-70	17260	17340	17120	17150
Mar-12	-140	17470	17470	17300	17310

## Cotton Prices at Key Spot Markets

Centre	Prices		Change
	25-11-11	24-11-11	
Kadi – Bt Cotton#	4300-4500	4250-4550	-50
Amravati – Vunni Mech-1#	-	-	-
Ahmedabad – Shankar-6#	4150-4300	4200-4350	-50
Abhor – J-34*	3540	3525	15
Muktsar – J-34*	3540	3525	15

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

## Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	25-11-11	24-11-11	
Kadi –Bt Cotton	200	500	-300
Amravati –Vunni Mech-1	-	-	-
Ahmedabad – Shankar-6	30000	30000	Unch
Abohar	1300	500	800
Muktsar	250	250	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 25/11/2011

Commodity	State	Market Center	Arrivals	Variety	Minimum Price	Maximum Price	Modal Price
			Tonnes		Rs/Quintal		
Cotton	Andhra Pradesh	Chilakaluripet	0.1	Other	3500	3700	3600
		Krosuru	0.1	MCU 5	3400	3600	3500
		Macharla	0.1	Other	3333	3529	3440
		Nandigama	0.1	H 420	3550	3750	3600
		Parvathipuram	44.7	Desi	3100	3333	3125
		Pidugurala	0.1	Cotton (Unginned)	3600	3800	3700
		Proddatur	NR	MCU 5	4250	4400	4300
	Gujarat	Amod	NR	Shanker 6 (B) 30mm Fine	4100	4200	4150
		Amreli	171	Other	2970	4400	4325
		Bagasara	36.4	Other	3855	4340	4097
		Bhiloda	55	Other	4150	4225	4200
		Bodeli	180	Shanker 6 (B) 30mm Fine	4250	4450	4400
		Deesa	11.4	Other	4125	4155	4155
		Halvad	202.54	Other	4075	4345	4250
		Jamnagar	1795	Other	3875	4250	4063
		Jasdan	190	Other	3125	4310	4125
		Jepur Pavi	12	Shanker 6 (B) 30mm Fine	4040	4381	4250
		Kadi	30	Other	4355	4435	4400

		Lalpur	93	Other	1422	1716	1660
		Limdi	5	Shanker 6 (B) 30mm Fine	4375	4440	4407
		Modasa	16	Other	4125	4290	4200
		Morbi	170.2	Other	3925	4500	4213
		Palitana	1100	Other	3375	4325	3850
		Savarkundla	110	Other	4070	4325	4197
		Unava	56.5	Other	4000	4325	4300
		Vadhvan	2.8	Shanker 6 (B) 30mm Fine	4250	4300	4275
		Vakener	170	Other	3710	4335	4275
		Vijapur	345.8	Other	4150	4310	4225
		Visnagar	363.4	Other	4100	4355	4230
	Karnataka	Arasikere	21	Varalakshmi (Ginned)	2800	3200	3200
		Bellary	20	LD-327	3009	4409	4060
		Bijapur	120	LH-1556	1800	4103	3871
		Davangere	36	MCU 5	3200	4223	3730
		Gundlupet	9	Other	4250	5000	4300
		Haveri	1	GCH	3569	3819	3689
		Santhesargur	NR	Krishna	3200	3640	3500
	Madhya Pradesh	Bhikangaon	NR	Other	4100	4375	4238
		Khetia	170.3	H4	4010	4285	4148
		Manawar	121	Other	4000	4200	4100
	Orissa	Parlakhemundi	5	Other	3000	3300	3000
	Punjab	Bareta	173	Other	4040	4180	4140
		Bariwala	11.6	Other	3650	4080	4050
		Dhuri	NR	American	2710	4110	3950
		Jaitu	40	Other	3480	4210	4175
		Malout	211.2	Other	4000	4180	4150
		Raman	155	Other	4075	4145	4120
		Sangrur	5.5	American	3200	4140	4000
	Rajasthan	Anoopgarh	120.3	American	3850	4019	3934
		Gajsinghpur	773	American	3859	4011	3950
		Hanumangarh	302.9	American	3800	4265	4215
		Jaitsar	660	American	3601	4000	3925
		Kesarisinghpur	48.4	American	3601	4100	4025
		Padampur	92.6	American	3100	3961	3844
		Raisingh Nagar	103.5	American	3600	3966	3910
		Sri Karanpur	99.3	American	3740	4025	3840
		Sumerpur	70.5	Other	3600	4131	4000
	Tamil Nadu	Annur	NR	Other	4200	4460	4330
		Konganapuram	NR	cotton (Ginned)	3950	4350	4150
		Salem	NR	DCH-32 (Ginned)	4000	4500	4250

		Tiruchengode	NR	LRA	3900	4300	4100
		Villupuram	5	Other	3987	3987	3987
<b>Jute</b>	Andhra Pradesh	Bobbili	2.5	Jute	1600	1800	1700
		Gajapathinagaram	3.1	Jute	1400	1500	1450
	Assam	Bohorihat	50	TD-5	1500	2150	1825
		Bongiagaon	40	TD-5	1550	1750	1650
	West Bengal	Baxirhat	30	TD-5	2000	2100	2050
		Beldanga	220	TD-5	1900	1980	1950
		Coochbehar	59	TD-5	2025	2100	2050
		Islampur	51	TD-5	1875	1925	1900
		Jaiganj	175	TD-5	1850	1950	1900
		Kaliaganj	40	TD-5	1750	1850	1800
		Mekhliganj	14	Other	2000	2150	2125
		Raiganj	53	TD-5	1750	1850	1800
		Toofanganj	10	TD-5	2000	2100	2050
<b>Cotton Seed</b>	Gujarat	Mansa	141.7	Other	3850	4345	4285

**Cotton Association of India Spot Rates: As on 25/11/2011**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy
<b>Bengal Deshi (RG)/ Assam Comilla</b>	Below 22mm	5.0 - 7.0	15	35800
<b>Bengal Deshi (SG)</b>	Below 22mm	5.0 - 7.0	15	36400
<b>J-34</b>	25mm	3.5 - 4.9	23	30800
<b>H-4/ MECH-1</b>	28mm	3.5 - 4.9	25	34600
<b>Shankar-6</b>	29mm	3.5 - 4.9	26	36000
<b>Bunny/ Brahma</b>	31mm	3.5 - 4.9	27	35700
<b>MCU-5/ Surabhi</b>	33mm	3.3 - 4.5	28	37000
<b>DCH-32</b>	35mm	2.8 - 3.6	31	47700

**Cotlook Index: As on 24/11/2011**

Cotlook Indices	Cents/Pound	Change
<b>A-Index</b>	99.60	-0.35

**China Cotton Index: As on 25/11/2011-Closed**

Index	RMB/Ton	Change
<b>CCIndex(328)</b>	-	-
<b>CCIndex(527)</b>	-	-
<b>CCIndex(229)</b>	-	-

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

**USDA Cotton Spot rates: As on 24/11/2011-Closed**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
<b>Southeast</b>	-	-	-
<b>North Delta</b>	-	-	-
<b>South Delta</b>	-	-	-
<b>East TX-OK</b>	-	-	-
<b>West Texas</b>	-	-	-
<b>Desert SW</b>	-	-	-
<b>SJ Valley</b>	-	-	-

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 24/11/2011-Closed**

Contract	Open	High	Low	Close	Change
Dec-11	-	-	-	-	-
Mar-12	-	-	-	-	-
May-12	-	-	-	-	-
Jul-12	-	-	-	-	-
Oct-12	-	-	-	-	-
Dec-12	-	-	-	-	-

**Pakistan Cotton Spot rates: As on 25/11/2011 (in Pakistan Rupees)**

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.324 Kgs	5400	130	5530
Equivalent	40 Kgs	5787	130	5917

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