

## Cotton Domestic Fundamentals:

Steady to weak sentiments were reported on Saturday. 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 lower against previous close. The contract traded in the range of Rs. 698-707 per 20 kg during the session. Lower prices with increase in OI and volumes indicate short build up in the market. Volume has increased to 3,376, up by 539 against previous trading day.

## Cotton International Fundamentals

Market will reopen today.

## 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	-11	711	711	703	703
Mar-12	-	-	-	-	-
Apr-12	-9	705	707	698	700

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-12	18	7	141	3
Mar-12	-	-	39	-
Apr-12	3,376	539	11795	275

Spread	Feb-12	Mar-12	Apr-12
Basis	136.9	-	140.5
Feb-12		-	-3.6
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	-11	722	722	710	712
Apr-12	-9	720	720	702	713

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-12	382	184	931	156
Apr-12	398	187	1735	-20

Spread	Mar-12	Apr-12
Basis	127.9	127.1
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	-480	17150	17150	16640	16700
Jan-12	-500	17140	17150	16560	16650
Mar-12	-630	17340	17340	16730	16750

**Cotton Prices at Key Spot Markets**

Centre	Prices		Change
	26-11-11	25-11-11	
Kadi – Bt Cotton#	4300-4500	4300-4500	Unch
Amravati – Vunni Mech-1#	-	-	-
Ahmedabad – Shankar-6#	4150-4250	4150-4300	-50
Abhor – J-34*	3490	3540	-50
Muktsar – J-34*	3490	3540	-50

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

**Cotton Arrivals in Key Centers**

Centre	Arrivals		Change
	26-11-11	25-11-11	
Kadi –Bt Cotton	400	200	+200
Amravati –Vunni Mech-1	-	-	-
Ahmedabad – Shankar-6	30000	30000	Unch
Abohar	900	1300	-400
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 26/11/2011**

Commodity	State	Market Center	Arrivals	Variety	Minimum Price	Maximum Price	Modal Price
			Tonnes		Rs/Quintal		
Cotton	Gujarat	Bhiloda	35	Other	4175	4275	4225
		Jamkandorna	1.6	Cotton (Unginned)	4220	4240	4225
		Una	50	Shanker 6 (B) 30mm FIne	3950	4240	4125
		Vakener	160	Other	3675	4320	4250
	Madhya Pradesh	Manawar	109	Other	4000	4200	4100

**Cotton Association of India Spot Rates: As on 26/11/2011**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy
Bengal Deshi (RG)/ Assam Comilla	Below 22mm	5.0 - 7.0	15	35300
Bengal Deshi (SG)	Below 22mm	5.0 - 7.0	15	36000
J-34	25mm	3.5 - 4.9	23	30400
H-4/ MECH-1	28mm	3.5 - 4.9	25	34100

Shankar-6	29mm	3.5 - 4.9	26	35500
Bunny/ Brahma	31mm	3.5 - 4.9	27	35200
MCU-5/ Surabhi	33mm	3.3 - 4.5	28	36500
DCH-32	35mm	2.8 - 3.6	31	47400

**Cotlook Index: As on 25/11/2011**

Cotlook Indices	Cents/Pound	Change
A-Index	99.40	-0.20

**China Cotton Index: As on 26/11/2011-Closed**

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

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

**USDA Cotton Spot rates: As on 25/11/2011**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	89.87	91.62	0
North Delta	88.87	89.87	0
South Delta	88.87	89.87	0
East TX-OK	86.00	88.75	442
West Texas	86.00	88.50	2396
Desert SW	89.87	95.87	0
SJ Valley	90.87	100.77	0

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 25/11/2011**

Contract	Open	High	Low	Close	Change
Dec-11	91.55	91.55	90.4	90.82	0.11
Mar-12	90.8	91.89	90.01	90.87	-0.04
May-12	90.7	91.65	89.62	90.13	-0.62
Jul-12	90.6	91.6	89.6	89.92	-0.65
Oct-12	90.49	90.49	90.17	90.17	-1.07
Dec-12	89.4	89.4	87.85	87.92	-1.02

**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	37.32 Kgs	5200	130	5330
Equivalent	40 Kgs	5573	130	5703

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