

Cotton Domestic Fundamentals:

Weak sentiments were reported on Monday in key trading centers. Demand remained weak at higher level and higher arrivals also pulled markets lower. Total arrival in the country was 140,000-150,000 bales compared to 110,000 bales on the previous day. However millers may start to purchase at current market prices as prices some near to their parity. However rainfall is expected over Tamil Nadu, South and North Interior Karnataka, south coastal Andhra Pradesh, Rayalaseema, south Madhya Maharashtra and Gujarat in the next 24-30 hours is not going to be beneficial at this stage and might slowdown harvest and decrease yield. Meanwhile, Cotton Advisory Board has projected a rise in exports to 80 lakh bales as the Government removed restrictions on the export of the natural fibre and permitted shipments under the Open General License. This may support prices at lower levels.

Cotton International Fundamentals

Cotton futures ended lower on renewed fears of global recession. Most-active March closed at 90.87 cents after trading within a range from 100.88 to a year low of 89.33 cents. Markets also fell after report showing Chinese manufacturing activity slumping to a 32-month low and a weak German bond sale intensified worries about faltering global growth. Meanwhile, USDA projected China's 2011-12 cotton imports at 14 million bales and as of 2nd week of November China had booked 4.671 million bales of U.S. cotton for delivery this season. U.S cotton harvesting advanced during the week ended last Sunday to reach 84%.

Outlook: Domestic and International

In the short term, domestic cotton prices move range bound to weak on anticipation of peak arrival season and weak demand.

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	-2.0	701.0	707.0	700.0	705.2
Mar-12	-	-	-	-	-
Apr-12	-2.9	699.2	703.9	695.1	696.8

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-12	12	-6	139	-3
Mar-12	0	-	39	-
Apr-12	3099	-277	11713	-86

Spread	Feb-12	Mar-12	Apr-12
Basis	119.8	-	128.2
Feb-12	-	-	-8.4
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	-4.9	710.0	712.9	706.0	707.2
Apr-12	-4.2	717.0	717.0	708.0	708.7

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-12	352	-30	963	32
Apr-12	460	62	1702	-33

Spread	Mar-12	Apr-12
Basis	117.8	116.3
Mar-12	-	1.5
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	-170	16710	16760	16320	16530
Jan-12	-120	16670	16670	16300	16530
Mar-12	-70	16630	16750	16420	16680

Cotton Prices at Key Spot Markets

Centre	Prices		Change
	28-11-11	26-11-11	
Kadi – Bt Cotton#	4150-4325	4300-4500	-175
Amravati – Vunni Mech-1#	-	-	-
Ahmedabad – Shankar-6#	4100-4150	4150-4250	-100
Abhor – J-34*	3435	3490	-55
Muktsar – J-34*	3435	3490	-55

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	28-11-11	26-11-11	
Kadi –Bt Cotton	350	400	-50
Amravati –Vunni Mech-1	-	-	-
Ahmedabad – Shankar-6	30000	30000	Unch
Abohar	900	900	Unch
Muktsar	200	250	-50

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 28/11/2011

Commodity	State	Market Center	Arrivals	Variety	Minimum Price	Maximum Price	Modal Price
			Tonnes		Rs/Quintal		
Cotton	Andhra Pradesh	Adilabad	3606	Cotton (Unginned)	3650	3800	3750
		Adoni	420.8	Kapas (Adoni)	3750	4165	3900
		Bhainsa	475.8	Cotton (Unginned)	3700	3800	3750
		Chilakaluripet	0.1	Other	3600	3800	3700
		Choppadandi	125.8	Cotton (Unginned)	3500	3725	3635
		Indravelly	69.2	Cotton (Unginned)	3775	3880	3800
		Kanchecherla	NR	Cotton (Unginned)	3300	3700	3500
		Krosuru	0.1	MCU 5	3300	3500	3400
		Kuber	82.3	Cotton (Unginned)	3800	3900	3850
		Parvathipuram	36.5	Desi	3400	3450	3410
		Peddapalli	207	Cotton (Unginned)	3500	3850	3750
		Peddapuram	41	Desi	3000	3700	3500
		Pidugurala	0.1	Cotton (Unginned)	3400	3600	3500
		Proddatur	NR	MCU 5	4200	4300	4250
		Sattenapalli	0.1	MCU 5	3500	3900	3600
		Tadipatri	NR	MCU 5	3800	4000	3900

	Gujarat	Amod	NR	Shanker 6 (B) 30mm Fine	4000	4100	4050
		Amreli	168	Other	2750	4285	4190
		Bagasara	35	Other	3600	4210	3905
		Bhiloda	71	Other	4050	4200	4125
		Bodeli	100	Shanker 6 (B) 30mm Fine	4125	4225	4200
		Dhandhuka	112.1	Shanker 6 (B) 30mm Fine	3750	4185	4090
		Halvad	234.34	Other	4050	4205	4150
		Himatnagar	25.8	Other	3905	4150	4028
		Jamkandorna	2.7	Cotton (Unginned)	4050	4095	4080
		Jamnagar	1471	Other	3750	4175	3963
		Jepur Pavi	125	Shanker 6 (B) 30mm Fine	4150	4330	4301
		Junagadh	98	Other	4000	4190	4085
		Limdi	6	Shanker 6 (B) 30mm Fine	4000	4160	4080
		Morbi	183.2	Other	3750	4310	4030
		Palitana	1200	Other	3375	4150	3762
		Savarkundla	90	Other	4105	4300	4205
		Savli	NR	G-6	4100	4125	4110
		Unava	60.2	Other	3755	4155	4125
		Vadhvan	3.5	Shanker 6 (B) 30mm Fine	4080	4125	4102
		Vakener	150	Other	3625	4210	4125
	Karnataka	Arasikere	9	Varalakshmi (Ginned)	3600	3600	3600
		Bijapur	319	LH-1556	1800	3986	3700
		Davangere	42	GCH	3200	3980	3690
		Gadag	76	GCH	2706	3906	3600
		Gundlupet	13	Other	2800	3000	3000
		Haliyala	430	Varalakshmi (Ginned)	3809	4969	4689
		Haveri	412	GCH	3740	4019	3850
		Hubli	178	GCH	3131	4089	3821
		Hunsur	7	Other	2700	2700	2700
		Kottur	238	GCH	1869	3991	3729
		Raichur	149	F-1054	3450	3990	3659
		Santhesargur	687	Krishna	2650	3600	3350

		Shorapur	10	Hampi (Ginned)	3456	3816	3775
	Madhya Pradesh	Khargone	782.5	Other	3501	4174	3950
		Khetia	216.9	H4	3500	4045	3773
		Lahorda	68.5	H4	3711	4006	3900
		Sanawad	233332	H4	4550	4670	4580
		Sonsar	406.8	H4	3630	4400	4075
		Maharashtra					
		Gevrai	352.1	Other	3700	4150	3900
		Orissa					
		Kasinagar	6	Other	2700	3300	3000
		Parlakhemundi	6	Other	3000	3300	3000
	Punjab	Bariwala	16	Other	3200	4135	4020
		Dhuri	5.6	Other	3000	4050	3800
		Jaitu	65	Other	3500	4055	4020
		Malout	180	Other	3945	4050	4020
		Raman	141.5	Other	3755	3980	3920
	Rajasthan	Anoopgarh	101.5	American	3772	3930	3851
		Bilara	39.3	Other	3700	4150	4100
		Gajsinghpur	550	American	3651	3936	3900
		Hanumangarh	413.6	American	3990	4186	4120
		Padampur	128.2	American	3400	3892	3845
		Sri Karanpur	125	American	3540	3925	3770
		Sumerpur	78.9	Other	3400	3876	3700
	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	4150	4025
Jute	Andhra Pradesh	Gajapathinagaram	7	Jute	1500	1600	1550
		Vijayanagaram	0.2	Jute	2200	2400	2300
	Assam	Bohorihat	70	TD-5	1625	2025	1825
		Bongiagaon	30	TD-5	1550	1750	1650
		Kharupetia	80	TD-5	1650	1700	1675
	West Bengal	Baxirhat	20	TD-5	1900	2100	2000
		Beldanga	165	TD-5	1850	1950	1900
		Coochbehar	65	TD-5	2025	2100	2050
		Katwa	17	TD-5	2000	2100	2050
		Toofanganj	20	TD-5	1950	2050	2000

Cotton Seed	Gujarat	Mansa	101.2	Other	3625	4225	4115
	Uttar Pradesh	Muzzafarnagar	7.5	Other	2500	2600	2550

Cotlook Index: As on 25/11/2011

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

China Cotton Index: As on 28/11/2011

Index	RMB/Ton	Change
CCIndex(328)	19054	-33
CCIndex(527)	16494	-81
CCIndex(229)	20327	-69

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	Nil
North Delta	88.87	89.87	Nil
South Delta	88.87	89.87	Nil
East TX-OK	86.00	88.75	442
West Texas	86.00	88.50	2396
Desert SW	89.87	95.87	Nil
SJ Valley	90.87	100.77	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 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 28/11/2011 (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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