

Cotton Domestic Fundamentals:

Steady to Weak sentiments were reported on Tuesday in key trading centers. Activity from spinners and improved at lower levels and may restrict downside. Demand for Yan also improved at lower levels. Millers may start to buy as current prices are in line for better margins. Exporters were also buying as fresh export inquiries were seen at 90 cent per pound. Total arrival in the country was 125,000 bales compared to 140,000-150,000 bales on the previous day. However India's cotton supplies in the peak arrival months of October and November have dropped as farmers are holding out for higher prices. Cotton arrivals between October 1st and November 20th fell more than 25% from a year earlier to 3.5 million bales of 170 kilograms (375 pounds) each, according to Cotton Corporation of India.

Cotton International Fundamentals

Cotton futures ended higher on Monday. Outside market strength is supporting cotton trade. Futures were supported by weak the dollar index. Small investors were buying amid optimism on the Eurozone crisis. The March cotton futures rose 0.48 cent to end at 91.35 cents per lb. Cotton futures was also supported by buying activity from China. USDA weekly data showed that US weekly export sales report said China has bought over 2.3 million running bales (a bale=500 lbs). Meanwhile, Pakistan cotton production could be estimated around 13.5 million bales in 2011-12 against 11.6 million bales produced last season.

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 demand from textiles and higher year-on-year harvests.

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

Contract	+/-	Open	High	Low	Close
Feb-12	-3.0	707.5	709.5	702.2	702.2
Mar-12	-	-	-	-	-
Apr-12	-0.1	699.0	701.5	696.0	697.3

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-12	5	-7	140	-
Mar-12	0	-	39	-
Apr-12	1844	-1255	11731	10

Spread	Feb-12	Mar-12	Apr-12
Basis	115.3	-	120.2
Feb-12	-	-	-4.9
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	-0.7	708.5	711.6	707.0	707.5
Apr-12	0.1	709.8	713.8	708.5	710.0

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-12	97	-255	971	8
Apr-12	158	-302	1714	12

Spread	Mar-12	Apr-12
Basis	110.5	108.0
Mar-12	-	2.5
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	60	16550	16720	16550	16620
Jan-12	40	16530	16690	16520	16570
Mar-12	70	16700	16770	16630	16730

Cotton Prices at Key Spot Markets

Centre	Prices		Change
	29-11-11	28-11-11	
Kadi – Bt Cotton#	4150-4300	4150-4325	-25
Amravati – Vunni Mech-1#	-	-	-
Ahmedabad – Shankar-6#	4050-4125	4100-4150	-25
Abhor – J-34*	3440	3435	5
Muktsar – J-34*	3440	3435	5

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	29-11-11	28-11-11	
Kadi –Bt Cotton	300	350	-50
Amravati –Vunni Mech-1	-	-	-
Ahmedabad – Shankar-6	35000	30000	5000
Abohar	300	900	-600
Muktsar	200	200	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 29/11/2011

Commodity	State	Market Center	Arrivals	Variety	Minimum Price	Maximum Price	Modal Price
			Tonnes		Rs/Quintal		
Cotton	Andhra Pradesh	Adilabad	1909.1	Unginned	3500	3800	3750
		Asifabad	282	Unginned	3650	3800	3750
		Bhainsa	384.9	Unginned	3700	3800	3750
		Chilakaluripet	0.1	Unginned	3600	3800	3700
		Choppadandi	96.2	Unginned	3500	3640	3550
		Indravelly	52.1	Unginned	3700	3800	3750
		Kanchecherla	NR	Unginned	3300	3700	3600
		Karimnagar	110.8	Unginned	3400	3640	3600
		Khammam	632	Unginned	3500	3725	3550
		Krosuru	0.1	MCU 5	3300	3500	3400
		Kuber	67	Unginned	3725	3800	3750
		Proddatur	NR	MCU 5	4300	4400	4350
		Sattenapalli	0.1	MCU 5	3500	3900	3600
	Gujarat	Amod	NR	Shanker 6	3900	4100	4000
		Bagasara	39.5	Other	3605	4195	3900
		Bhavnagar	81.4	Other	4000	4125	4060
		Bhiloda	40	Other	4100	4175	4140
		Halvad	217.06	Other	4055	4230	4150
		Himatnagar	44.9	Other	3955	4105	4030
		Jamnagar	1541	Other	3875	4200	4038
		Jasdan	185	Other	3075	4150	4000
		Junagadh	101.5	Other	4000	4165	4050
		Kadi	10	Other	4100	4235	4200
		Limdi	31	Shanker 6	3875	4190	4032
		Morbi	178.7	Other	4000	4375	4188
		Palitana	950	Other	3375	4150	3762
		Savarkundla	90	Other	4090	4225	4160

		Vadhvan	2	Shanker 6	4095	4145	4120
		Vakener	160	Other	3625	4195	4075
	Karnataka	Arasikere	NR	Varalakshmi	3200	4059	3200
		Bellary	21	LD-327	3309	4266	3869
		Bijapur	195	LH-1556	1409	3879	3550
		Chamaraj Nagar	7	Other	3200	3500	3300
		Channagiri	5	Hampi	3600	3600	3600
		Chitradurga	203	Varalakshmi	2709	4603	4050
		Davangere	25	MCU 5	3168	3889	3690
				Varalakshmi	4109	4444	4250
		Gundlupet	9	Other	2800	3000	3000
		Hubli	111	GCH	1509	4029	3431
				Varalakshmi	4409	4830	4710
		Kundagol	19	GCH	3950	3950	3950
		Nargunda	26	GCH	3800	4111	3950
		Raichur	144	F-1054	3425	3890	3659
		Savanur	12	GCH	3591	3895	3743
		Shorapur	6	Hampi	3685	3781	3775
	Madhya Pradesh	Khargone	652	Other	3700	4313	3970
		Khetia	159.2	H4	3780	4040	3910
		Pandhurna	95	Other	3350	4000	3675
	Punjab	Abohar	312.5	American	3800	3965	3925
				Desi	4305	4500	4465
		Bariwala	32	Other	3025	4085	4000
		Jaitu	48	Other	3285	4085	4045
		Kotkapura	37	American	3051	4039	3881
		Sangrur	8.7	American	3370	4060	3980
				Desi	4000	4000	4000
	Rajasthan	Gajsinghpur	484	American	3700	3900	3775
				Desi	4080	4399	4350
		Hanumangarh	366.1	American	3800	4107	4050
				Desi	4330	4581	4540
		Kesarisinghpur	28.8	American	3425	4065	3840
				Kapas	4451	4550	4500
		Sri Karanpur	78.4	American	3500	4001	3780
				Desi	4210	4620	4380
	Tamil Nadu	Annur	NR	Other	4200	4460	4330
		Konganapuram	NR	Ginned	3900	4350	4125
			NR	Other	4400	4500	4450
		Kovilpatti	NR	LRA	3000	4000	3500
			NR	MCU 5	3000	4500	3700
			NR	Other	2000	3000	2700
		Salem	NR	DCH-32	4000	4500	4250
			NR	Other	4300	5100	4700
		Tiruchengode	NR	LRA	3900	4150	4025
			NR	Other	4100	4500	4300
		Usilampatty	NR	LRA	2530	2630	2580
			NR	MCU 5	3870	3970	3920
		Villupuram	NR	Other	2570	2710	2640
			7	Other	3479	3869	3700
Jute	Andhra	Gajapathinagaram	1	Jute	1500	1600	1550

	Pradesh	Vijayanagaram	0.4	Jute	2200	2400	2300
	Orissa	Jajpur	3	Jute	1800	2500	2000
	West Bengal	Baxirhat	17.5	TD-5	1940	2100	2000
		Bethuadahari	150	TD-5	1695	1710	1700
		Islampur	40	TD-5	2000	2050	2025
		Jiaganj	90	TD-5	1800	1900	1850
		Kaliaganj	37.05	TD-5	1950	2050	2000
		Karimpore	100	TD-5	1700	1750	1725
		Raiganj	55	TD-5	1950	2050	2000
		Toofanganj	25	TD-5	1900	2100	2000
Cotton Seed	Gujarat	Mansa	115.5	Other	3750	4230	4125
	Uttar Pradesh	Muzzafarnagar	NR	Other	2500	2600	2550

Cotton Association of India Spot Rates: As on 29/11/2011

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy
Bengal Deshi (RG)/ Assam Comilla	Below 22mm	5.0 - 7.0	15	34300
Bengal Deshi (SG)	Below 22mm	5.0 - 7.0	15	35000
J-34	25mm	3.5 - 4.9	23	30400
H-4/ MECH-1	28mm	3.5 - 4.9	25	33600
Shankar-6	29mm	3.5 - 4.9	26	35000
Bunny/ Brahma	31mm	3.5 - 4.9	27	35000
MCU-5/ Surabhi	33mm	3.3 - 4.5	28	36500
DCH-32	35mm	2.8 - 3.6	31	46500

Cotlook Index: As on 28/11/2011

Cotlook Indices	Cents/Pound	Change
A-Index	99.00	-0.40

China Cotton Index: As on 29/11/2011

Index	RMB/Ton	Change
CCIndex(328)	19052	-2
CCIndex(527)	16492	-2
CCIndex(229)	20330	+3

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

USDA Cotton Spot rates: As on 28/11/2011

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	90.35	92.10	Nil
North Delta	89.35	90.35	Nil
South Delta	89.35	90.35	Nil
East TX-OK	86.50	89.25	Nil
West Texas	86.50	89.00	3,656
Desert SW	90.35	96.35	Nil
SJ Valley	91.35	101.25	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 28/11/2011

Contract	Open	High	Low	Close	Change
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Dec-11	92.10	92.10	91.10	91.30	+0.48
Mar-12	91.10	92.81	90.85	91.35	+0.48
May-12	90.25	91.50	89.96	90.45	+0.32
Jul-12	89.90	90.83	89.51	90.04	+0.12
Oct-12	91.60	91.60	90.43	90.43	+0.26
Dec-12	88.60	89.14	88.00	88.14	+0.22

Pakistan Cotton Spot rates: As on 29/11/2011 (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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