

Cotton Domestic Fundamentals:

Firm sentiments were reported on Wednesday's trade in key trading centers as demand improved at lower levels. Total arrival in the country was 132,000 bales compared to 125,000 bales on the previous day. Exports offer of 30 count combed cotton yarn were placed at 3.25-3.30 dollar per kg CNF. Markets remained firm supported by renewed demand from both domestic as well international markets. Traders say the demand of the textile raw material has gone up after orders flourished from Bangladesh and China. However, higher production and higher carry-out stocks will be a dampener on prices in the long run.

Cotton International Fundamentals

Cotton futures rebound from a 15-month low and ended higher as short covering was noticed at lower levels. The March cotton futures ended higher by 1.40 cents or 1.5%, to end at 92.75 cents per lb. The contract touched an intraday low of 88.50 cents. Cotton fell initially after improving U.S. cotton crop conditions and concerns over a slowdown in demand. The USDA said in its weekly crop progress report that nearly 92% of the U.S. cotton crop was harvested as of November 27th 2011, up from 84% the week before and above the five-year average of 82% for this time of year. Markets were also lower after concerns over a slowdown in demand from top consumer China and increasing competition for U.S. export sales in recent weeks. Prices in Pakistan improved as domestic millers and spinners were buying in the market. However, situation is still unwelcoming as global recession may cut exports from the country.

Outlook: Domestic and International

In the short term, domestic cotton prices move range bound to firm on slightly better demand at lower levels.

U.S markets may trade range bound to weak on higher harvest and weak demand.

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

Contract	+/-	Open	High	Low	Close
Feb-12	2.8	706.0	707.0	704.0	705.0
Mar-12	-	-	-	-	-
Apr-12	6.1	702.9	705.5	700.0	704.5

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-12	15	10	134	-6
Mar-12	0	-	39	-
Apr-12	2393	549	11554	-176

Spread	Feb-12	Mar-12	Apr-12
Basis	117.0	-	117.5
Feb-12	-	-	-0.5
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	4.7	711.9	713.7	710.0	712.8
Apr-12	5.0	712.8	716.0	711.7	715.0

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-12	127	30	971	-
Apr-12	306	148	1688	-26

Spread	Mar-12	Apr-12
Basis	109.2	107.0
Mar-12	-	2.2
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	100	16730	16810	16600	16730
Jan-12	120	16640	16750	16550	16690
Mar-12	110	16800	17180	16620	16790

Cotton Prices at Key Spot Markets

Centre	Prices		Change
	30-11-11	29-11-11	
Kadi – Bt Cotton#	4125-4350	4150-4300	50
Amravati – Vunni Mech-1#	3800-3950	3800-3900	50
Ahmedabad – Shankar-6#	4050-4175	4050-4125	50
Abhor – J-34*	3450	3440	10
Muktsar – J-34*	3450	3440	10

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	30-11-11	29-11-11	
Kadi –Bt Cotton	400	300	100
Amravati –Vunni Mech-1	500	500	Unch
Ahmedabad – Shankar-6	35000	35000	Unch
Abohar	650	300	350
Muktsar	150	200	-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 30/11/2011

Commodity	State	Market Center	Arrivals	Variety	Minimum Price	Maximum Price	Modal Price
			Tonnes		Rs/Quintal		
Cotton	Andhra Pradesh	Adilabad	2001.8	Unginned	3650	3730	3700
		Badepalli	360.1	Desi	3390	3670	3570
		Bhainsa	349.9	Unginned	3650	3690	3650
		Indravelly	35.7	Unginned	3700	3750	3720
		Khammam	522	Unginned	3400	3650	3560
		Kuber	35.4	Unginned	3725	3750	3740
		Parvathipuram	10	Desi	3300	3500	3400
		Peddapuram	12.2	Desi	3000	3700	3500
		Pidugurula	0.1	Unginned	3500	3700	3600
		Proddatur	NR	MCU 5	4300	4400	4350
		Sattenapalli	0.1	MCU 5	3500	3800	3700
		Tadipatri	NR	MCU 5	3800	4000	3900
	Gujarat	Bagasara	40	Other	3750	4210	3980
		Bhiloda	52	Other	4100	4190	4150
		Bodeli	200	Shanker 6	4150	4250	4200
		Deesa	7.3	Other	4050	4075	4060
		Halvad	212.2	Other	4125	4270	4200
		Jamnagar	1103	Other	3750	4175	3963
		Jasdan	180	Other	3075	4165	4025
		Jepur Pavi	12.5	Shanker 6	4141	4225	4175
		Junagadh	96.2	Other	4000	4185	4080
		Kadi	30	Other	4160	4310	4250
		Lalpur	87.5	Other	1632	1694	1650
		Limdi	33	Shanker 6	3870	4190	4030
		Modasa	12.9	Other	4000	4130	4050
		Morbi	134.6	Other	4000	4420	4210
		Savarkundla	80	Other	4125	4200	4165

		Savli	NR	G-6	4050	4150	4100
		Unava	49.2	Other	3805	4155	4150
		Vadhvan	1.9	Shanker 6	3950	4175	4062
		Vakener	150	Other	3775	4275	4185
		Visnagar	202.1	Other	4000	4255	4150
	Karnataka	Bijapur	198	LH-1556	2103	3846	3675
		Davangere	46	MCU 5	3120	4244	3810
			NR	Varalakshmi	4190	4380	4295
		Gadag	92	GCH	2601	3905	3556
		Gundlupet	5	Varalakshmi	4700	4700	4700
		Hubli	56	GCH	1509	3950	3730
			NR	Varalakshmi	4262	4590	4380
		Nargunda	17	GCH	3800	4209	4100
		Santhesargur	362	Krishna	2650	3300	3100
			NR	Varalakshmi	4000	4000	4000
		Sindhanur	18	LD-327	3760	3800	3800
	Madhya Pradesh	Khetia	144.7	H4	3700	4030	3865
		Lahorda	82.7	H4	3770	4077	3900
		Manawar	56	Other	3700	4000	3900
		Sonsar	384.5	H4	3610	4400	3900
	Punjab	Abohar	402.5	American	3800	4015	4010
			NR	Desi	4170	4550	4480
		Bareta	124.5	Other	3950	4060	4010
		Bariwala	29.7	Other	3090	4100	4085
		Dhuri	9	American	3200	3970	3800
		Kotkapura	45.1	American	3000	4050	3968
			NR	Desi	3972	3972	3972
		Sangrur	9.5	American	3000	4075	3995
	Rajasthan	Anoopgarh	218.5	American	3771	3951	3861
			NR	Desi	4301	4560	4430
		Hanumangarh	235.8	American	3700	4174	4138
			NR	Desi	4360	4577	4500
		Jaitsar	385	American	3000	3830	3825
			NR	Desi	4000	4350	4300
		Kesarisinghpur	44.7	American	3400	4060	3876
			NR	Adoni	4301	4520	4400
	Tamil Nadu	Sri Karanpur	47.6	American	3600	4001	3779
			NR	Desi	4050	4620	4433
		Sumerpur	97.6	Other	3000	4006	3950
		Annur	10.11	Other	4200	4460	4330
		Konganapuram	NR	Ginned	3900	4350	4125
			NR	Other	4400	4500	4450
		Salem	NR	DCH-32	4000	4500	4250
			NR	Other	4300	5100	4700
		Tiruchengode	NR	LRA	3900	4100	4025
			NR	Other	4100	4500	4300
Jute	Andhra Pradesh	Bobbili	2.6	Jute	1600	1800	1700
		Vijayanagaram	0.3	Jute	2200	2400	2300
	West Bengal	Beldanga	150	TD-5	1850	1950	1900
		Islampur	35	TD-5	1900	2000	1950
		Jiaganj	142.5	TD-5	1800	1900	1850

		Samsi	20	Jute	1850	1950	1900
			NR	TD-5	1750	1850	1800
Cotton Seed	Gujarat	Mansa	107.6	Other	3800	4210	4150
	Uttar Pradesh	Muzzafarnagar	11.5	Other	2500	2600	2550

Cotton Association of India Spot Rates: As on 30/11/2011

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy
Bengal Deshi (RG)/ Assam Comilla	Below 22mm	5.0 - 7.0	15	33800
Bengal Deshi (SG)	Below 22mm	5.0 - 7.0	15	34500
J-34	25mm	3.5 - 4.9	23	30500
H-4/ MECH-1	28mm	3.5 - 4.9	25	33600
Shankar-6	29mm	3.5 - 4.9	26	35100
Bunny/ Brahma	31mm	3.5 - 4.9	27	35100
MCU-5/ Surabhi	33mm	3.3 - 4.5	28	36500
DCH-32	35mm	2.8 - 3.6	31	46000

Cotlook Index: As on 29/11/2011

Cotlook Indices	Cents/Pound	Change
A-Index	98.85	-0.15

China Cotton Index: As on 30/11/2011

Index	RMB/Ton	Change
CCIndex(328)	19039	-13
CCIndex(527)	16483	-9
CCIndex(229)	20296	-34

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

USDA Cotton Spot rates: As on 29/11/2011

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	91.75	93.50	Nil
North Delta	90.75	91.75	Nil
South Delta	90.75	91.75	Nil
East TX-OK	87.25	90.00	2,470
West Texas	87.25	89.75	8,660
Desert SW	91.75	97.75	Nil
SJ Valley	92.75	102.65	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 29/11/2011

Contract	Open	High	Low	Close	Change
Dec-11	91.24	92.73	88.39	92.69	1.39
Mar-12	91.34	92.94	88.50	92.75	1.40
May-12	90.25	91.88	87.80	91.78	1.33
Jul-12	89.88	91.16	87.54	90.96	0.92
Oct-12	89.00	90.93	88.73	90.93	0.50
Dec-12	87.73	89.26	86.17	89.03	0.89

Pakistan Cotton Spot rates: As on 30/11/2011 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5300	130	5430
Equivalent	40 Kgs	5680	130	5703

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