

Cotton Domestic Fundamentals:

Mixed sentiments were reported on Thursday's trade in key trading centers as arrivals declined in key centres. Total arrival in the country was 115,000 bales compared to 132,000 bales on the previous day. Farmers were holding onto to stocks as prices were weak over the last week. On the other hand, as the prices fell over the last week exporters and millers were buying actively in the markets. Cotton advisory Board reported that cotton arrivals declined to 43.10 lakh bales till November 27th 2011 compared to 57.17 lakh bales during the same period in the last season. Cotton Association of India say that production will touch 361 lakh bales compared to 334 lakh bales last year. Traders added that with consumption at 274 lakh bales this year, there is going to be a surplus of stocks and may restrict upside. Meanwhile, Indian textile export in 2010-11 is seen at \$26.83 billion.

Cotton International Fundamentals

Cotton futures fell on Wednesday's trade on speculation that efforts by central banks to revive growth may fail to overcome increased global supplies of the fiber. Markets fell as USDA is predicting higher global cotton production. USDA also adds that higher supply and lower consumption this year may lead to ample supplies which may continue to be a dampener on prices. USDA also added that Harvests will increase 7.5 percent to 123.89 million 480- pound bales (27 million metric tons) in the 12 months ending in July 2011 and demand drops to a three-year low of 114.27 million bales. Cotton for March delivery dropped 2% to settle at 90.91 cents a pound on ICE Futures U.S. in New York. Trader sources say that now participants will look for demand trend in China who is the main importer from U.S. USDA will release its weekly sales data on December 01st 2011.

Outlook: Domestic and International

In the short term, domestic cotton prices move range bound to firm on slightly better demand at lower levels and lower arrivals as farmers hold onto stocks for better pricing.

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	7.7	705.0	713.6	705.0	713.6
Mar-12	14.6	713.0	713.0	713.0	713.0
Apr-12	5.6	705.9	712.4	705.9	709.6

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-12	4	-11	132	-2
Mar-12	1	1	39	-
Apr-12	2679	286	11002	-556

Spread	Feb-12	Mar-12	Apr-12
Basis	123.4	124.0	127.4
Feb-12	-	-0.6	-4.0
Mar-12	-	-	-3.4
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	5.4	713.5	717.9	713.5	717.1
Apr-12	6.1	718.5	723.0	718.0	720.6

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-12	129	2	945	-26
Apr-12	303	-3	1660	-28

Spread	Mar-12	Apr-12
Basis	119.9	116.4
Mar-12	-	3.5
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	140	16990	17040	16770	16850
Jan-12	140	16800	16980	16790	16850
Mar-12	190	17020	17100	16900	16970

Cotton Prices at Key Spot Markets

Centre	Prices		Change
	01-12-11	30-11-11	
Kadi – Bt Cotton#	4250-4325	4125-4350	-25
Amravati – Vunni Mech-1#	3800-3950	3800-3950	Unch
Ahmedabad – Shankar-6#	4125-4250	4050-4175	75
Abhor – J-34*	3470	3450	20
Muktsar – J-34*	3470	3450	20

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	01-12-11	30-11-11	
Kadi –Bt Cotton	450	400	50
Amravati –Vunni Mech-1	500	500	Unch
Ahmedabad – Shankar-6	30000	35000	-5000
Abohar	500	650	-150
Muktsar	150	150	Unch

Kadi-1 Truck-100 Qtls, Amravati-1 Truck-100 kgs, Ahmedabad, Abohar and Muktsar-Bales

Prices of Cotton and Jute at Other Centers: As on 01/12/2011

Commodity	State	Market Center	Arrivals	Variety	Minimum Price	Maximum Price	Modal Price
			Tonnes		Rs/Quintal		
Cotton	Andhra Pradesh	Adilabad	1637	Unginned	3500	3650	3600
		Asifabad	301.6	Unginned	3525	3650	3600
		Bhainsa	337.2	Unginned	3600	3661	3650
		Chilakaluripet	0.1	Other	3600	3800	3700
		Indravelly	80.6	Unginned	3600	3700	3650
		Khammam	460	Unginned	3500	3650	3600
		Krosuru	0.1	MCU 5	3300	3600	3400
		Kuber	24.7	Unginned	3625	3675	3650
		Macharla	0.1	Other	3350	3750	3600
		Pidugurala	0.1	Unginned	3400	3600	3500
		Proddatur	NR	MCU 5	3700	3800	3750
		Sattenapalli	0.1	MCU 5	3400	3800	3500
		Tadipatri	NR	MCU 5	3800	3900	3850
	Gujarat	Amod	NR	Shanker 6	4000	4100	4050
		Bagasara	40	Other	3870	4210	4040
		Balasinor	NR	Other	3400	3600	3600
		Bodeli	150	Shanker 6	4186	4281	4250
		Deesa	3.4	Other	4075	4100	4100
		Halvad	181.8	Other	4155	4310	4225
		Himatnagar	32	Other	3900	4160	4030
		Jamkandorna	1.8	Unginned	4050	4110	4095
		Jasdan	180	Other	3250	4175	4050
		Kadi	10	Other	4180	4280	4230
		Limdi	8	Shanker 6	4125	4300	4212
		Morbi	155.4	Other	4000	4455	4228
		Vadhvan	2.6	Shanker 6	4205	4225	4215
		Vakener	140	Other	3875	4310	4215

	Karnataka	Bijapur	165	LH-1556	2100	3996	3644
		Gundlupet	9	Other	2800	3000	3000
		Haveri	459	GCH	3409	3949	3699
		Kottur	171	GCH	2651	4026	3826
		Raichur	150	F-1054	3469	3969	3620
		Sankeshwar	NR	Other	3900	4000	3950
		Shimoga	8	LD-327	3000	4739	3869
		Tarikere	NR	Varalakshmi	4740	4756	4752
	Madhya Pradesh	Bhikangaon	NR	Other	4000	4200	4100
		Khargone	346	Other	3801	4304	4120
		Lahorda	35.5	H4	3905	4088	4000
		Sonsar	289.8	H4	3650	4015	3900
	Punjab	Abohar	473	American	3840	4020	4000
		Ahmedgarh	20	American	2400	4400	4130
		Bareta	116.6	Other	3980	4120	4080
		Bariwala	23.1	Other	3940	4100	4060
		Dhuri	6.3	American	3200	4020	3900
	Rajasthan	Anoopgarh	164.5	American	3701	3941	3821
		Gajsinghpur	436	American	3790	3941	3875
		Hanumangarh	320.7	American	3750	4206	4150
		Kesarisinghpur	35.7	American	3501	4121	3951
		Sri Karanpur	38.7	American	3570	4081	3795
	Tamil Nadu	Annur	NR	Other	4200	4460	4330
		Konganapuram	NR	Ginned	3920	4400	4160
		Salem	NR	DCH-32	4000	4500	4250
		Tiruchengode	NR	LRA	3800	4200	4000
		Usilampatty	NR	LRA	2530	2630	2580
Jute	Andhra Pradesh	Bobbili	1	Jute	1600	1800	1700
		Gajapathinagaram	2.6	Jute	1500	1600	1550
		Vijayanagaram	0.3	Jute	2300	2500	2400
	West Bengal	Samsi	200	Jute	1850	1950	1900

Cotlook Index: As on 30/11/2011

Cotlook Indices	Cents/Pound	Change
A-Index	99.85	+1.00

China Cotton Index: As on 01/12/2011

Index	RMB/Ton	Change
CCIndex(328)	19020	-19
CCIndex(527)	16465	-18
CCIndex(229)	20266	-30

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

USDA Cotton Spot rates: As on 30/11/2011

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	89.91	91.66	370
North Delta	88.91	89.91	Nil
South Delta	88.91	89.91	Nil
East TX-OK	86.50	89.25	Nil
West Texas	86.50	89.00	8,422
Desert SW	89.91	95.91	Nil
SJ Valley	90.91	100.81	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 30/11/2011

Contract	Open	High	Low	Close	Change
Dec-11	93.46	93.50	90.31	90.31	-2.38
Mar-12	92.75	93.67	90.70	90.91	-1.84
May-12	91.59	92.85	90.19	90.39	-1.39
Jul-12	90.81	92.01	89.25	89.81	-1.15
Oct-12	89.48	89.48	89.48	89.48	-1.45
Dec-12	88.75	90.09	88.00	88.43	-0.60

Pakistan Cotton Spot rates: As on 01/12/2011 (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	5810

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