

**Cotton Domestic Fundamentals:**

Market sentiments remained mixed on Wednesday's trade as only spinners remained active but exporters remained in the sidelines. Traders say that downside may be limited as spinners may start to build up stocks at lower levels. Cotton yarn prices remained steady as domestic demand remained firm. Exports offer of 30 count combed cotton yarn were placed at 3.25-3.30 dollar per kg CNF. However, global demand may continue to weak and may lead to surplus of stocks which may continue to pull markets lower. Slowdown of exports has also pulled markets lower. Exports have lower at only 7.5 lakh bales till end November 2011 as against 39 lakh bales during the same period last year.

**Cotton International Fundamentals**

Cotton futures remained mixed with March and May ended higher but the rest remained on the lower side. However, strengthening in the value of the dollar continued to weigh on cotton futures. Futures were also weighed down by investor sales as recession fears from the Eurozone debt crisis and a bearish crop report. Meanwhile prices in Pakistan remained steady to weak as demand of cotton is coming down as millers and spinners remained inactive. Market participants remained inactive on expectations of further decline in prices. March cotton futures ended marginally higher by 0.15 cents to close at 87.31 cents per lb.

**Outlook: Domestic and International**

**In the short term, domestic cotton prices move range bound to weak on weak demand and lower exports till date.**

**U.S markets may trade range bound to weak on bearish crop report and weak demand.**

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

Contract	+/-	Open	High	Low	Close
Feb-12	9.2	709.7	714.0	709.7	714.0
Mar-12	9.0	712.5	718.0	712.5	718.0
Apr-12	3.1	709.0	715.0	705.7	711.5

**Volumes and OI in Lots**

Contract	Volume	Change	OI	Change
Feb-12	17	1	129	-6
Mar-12	4	4	34	-
Apr-12	4034	-606	10968	-250

**Spread**

	Feb-12	Mar-12	Apr-12
Basis	131.0	127.0	133.5
Feb-12	-	4.0	-2.5
Mar-12		-	-6.5
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	2.8	712.5	719.8	712.5	716.7
Apr-12	4.0	715.0	722.7	715.0	720.2

**Volumes and OI in Lots**

Contract	Volume	Change	OI	Change
Mar-12	190	-442	851	-24
Apr-12	424	-14	1654	-78

**Spread**

	Mar-12	Apr-12
Basis	128.3	124.8
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	40	16470	16540	16440	16500
Jan-12	30	16470	16540	16430	16480
Mar-12	40	16620	16720	16570	16650

**Cotton Prices at Key Spot Markets**

Centre	Prices		Change
	14-12-11	13-12-11	
Kadi – Bt Cotton#	3700-3850	4000-4200	-350
Amravati – Vunni Mech-1#	4125-4250	3900-4100	150
Ahmedabad – Shankar-6#	4150-4300	4150-4250	50
Abhor – J-34*	3365	3400	-35
Muktsar – J-34*	3365	3400	-35

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

**Cotton Arrivals in Key Centers**

Centre	Arrivals		Change
	14-12-11	13-12-11	
Kadi –Bt Cotton	800	500	300
Amravati –Vunni Mech-1	150	500	-350
Ahmedabad – Shankar-6	30000	35000	-5000
Abohar	700	700	Unch
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 14/12/2011**

Commodity	State	Market Center	Arrivals	Variety	Minimum Price	Maximum Price	Modal Price
			Tonnes		Rs/Quintal		
Cotton	Andhra Pradesh	Adilabad	1555.6	Unginned	3550	3700	3650
		Bhainsa	310.6	Unginned	3700	3775	3750
		Chintapally	5	Other	3000	3500	3000
		Indravelly	102	Unginned	3660	3725	3700
		Kanchecherla	NR	Unginned	3300	3500	3450
		Khammam	400.8	Unginned	3600	3800	3600
		Kuber	39.6	Unginned	3771	3771	3771
		Macharla	0.1	Other	3430	3650	3550
		Parvathipuram	31.5	Desi	3212	3412	3312
		Peddapuram	10	Desi	3000	3700	3500
		Pidugurula	0.1	Unginned	3300	3500	3400
		Proddatur	NR	MCU 5	4300	4400	4350
		Sattenapalli	0.1	MCU 5	3600	4000	3800
		Tadikonda	0.1	Unginned	3000	3600	3400
	Tadipatri	NR	MCU 5	3800	4000	3900	
	Gujarat	Bodeli	212	Shanker 6	4200	4350	4250
		Deesa	6.6	Other	4175	4235	4200
		Halvad	201.26	Other	4130	4340	4250
		Jamkandorna	3	Unginned	4120	4150	4130
		Jhagadiya	20	Other	3500	4500	4000
		Junagadh	59.5	Other	4050	4255	4100
		Kadi	20	Other	4155	4330	4250
		Lalpur	81.5	Other	1608	1708	1660
Limdi		21	Shanker 6	4200	4300	4250	

		Morbi	272.9	Other	4050	4425	4238
		Palitana	900	Other	3375	4225	3800
		Rajkot	800	Other	4050	4300	4200
		Rajula	65	Other	4000	4320	4160
		Unava	20.2	Other	4000	4250	4200
		Vadgam	0.1	Other	4110	4125	4118
		Vadhvan	1.1	Shanker 6	4145	4175	4160
		Vakener	140	Other	3655	4260	4175
	Karnataka	Chamaraj Nagar	7	Other	3000	3300	3100
		Davangere	26	MCU 5	3209	3993	3868
		Gundlupet	9	Other	2800	2824	2824
		Harappana Halli	2	Jaydhar	2800	2800	2800
		Hirekerur	64	GCH	2800	3000	2900
		Nargunda	29	GCH	3891	4000	3950
		Tarikere	8	Varalakshmi	4367	4367	4367
	Madhya Pradesh	Bhikangaon	NR	Other	4051	4215	4133
		Khargone	592.5	Other	3800	4140	4025
		Lahorda	71.3	H4	3901	4165	4050
		Sonsar	353.7	H4	3610	4170	3950
	Punjab	Dhuri	10	American	2400	4000	3800
		Samana	0.3	Other	3550	3750	3600
	Rajasthan	Gajsinghpur	581	American	3725	3969	3875
			NR	Desi	4300	4560	4500
		Hanumangarh	528.7	American	3400	4034	3970
			NR	Desi	4315	4615	4540
		Padampur	76	American	3450	3851	3711
			NR	Desi	3801	4550	4402
		Sri Karanpur	46.5	American	3480	4069	3742
			NR	Desi	4280	4500	4491
	Sumerpur	66.1	Other	3600	4180	4000	
	Tamil Nadu	Annur	19.66	Other	4200	4440	4320
		Konganapuram	NR	DCH-32	3800	4020	3910
			NR	Other	3600	4000	3800
		Kovilpatti	NR	LRA	3000	3800	3500
			NR	MCU 5	3500	4500	4000
			NR	Other	2000	3000	2500
		Salem	NR	DCH-32	4000	4500	4250
			NR	Other	4300	5100	4700
		Tiruchengode	NR	DCH-32	4000	4300	4150
			NR	LRA	3700	4000	3850
			NR	Other	4100	4600	4150
		Usilampatty	NR	LRA	2670	2870	2770
			NR	MCU 5	2750	2950	2850
			NR	Other	2680	2730	2705
	Villupuram	8	Other	3704	3767	3750	
<b>Jute</b>	Andhra	Bobbili	1.6	Jute	1400	1500	1450

	Pradesh	Gajapathinagaram	0.3	Jute	1400	1500	1450
	Assam	Bongiagaon	10	TD-5	1350	1750	1650
		Kharupetia	80	Other	800	850	830
			NR	TD-5	1550	1625	1600
	West Bengal	Coochbehar	58	TD-5	1850	1900	1875
		Islampur	7.5	TD-5	1900	1950	1925
		Mekhliganj	14	Other	1900	2050	2000
		Pundibari	45	TD-5	1825	1875	1850
		Raiganj	49	TD-5	1775	1875	1825
		Samsi	25	Jute	1850	1950	1900
NR	TD-5		1750	1850	1800		
<b>Cotton Seed</b>	Uttar Pradesh	Muzzafarnagar	NR	Other	2500	2600	2560

**Cotlook Index: As on 13/12/2011**

Cotlook Indices	Cents/Pound	Change
A-Index	93.4	-3.3

**China Cotton Index: As on 14/12/2011**

Index	RMB/Ton	Change
CCIndex(328)	19059	+1
CCIndex(527)	16481	+2
CCIndex(229)	20314	+7

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

**USDA Cotton Spot Rates: As on 13/12/2011**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	85.31	87.06	2,076
North Delta	84.81	85.81	Nil
South Delta	84.81	85.81	Nil
East TX-OK	82.25	85.00	Nil
West Texas	82.25	84.75	1,126
Desert SW	84.81	90.81	Nil
SJ Valley	85.81	95.71	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 13/12/2011**

Contract	Open	High	Low	Close	Change
Mar-12	87.16	88.22	86.63	87.31	+0.15
May-12	87.40	87.80	86.50	87.17	+0.11
Jul-12	86.97	87.25	86.45	86.88	-0.01
Oct-12	87.28	87.28	87.28	87.28	-0.18
Dec-12	85.75	86.19	85.35	85.68	-0.37
Mar 13	86.75	86.75	86.75	86.75	-0.43

**Pakistan Cotton Spot rates: As on 13/12/2011 (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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