

**Cotton Domestic Fundamentals:**

Cotton prices steady to weak as demand from exporters and millers remained weak at higher levels. Anticipation of higher fresh arrivals also restricted buy calls in the markets. Trade sources revealed that even ginneries are not showing interest in selling cotton. Production estimates remain higher and also adds a bearish sentiment in the market.

**Cotton Domestic Futures Market:**

NCDEX Kapas April 2012 contract finished firm over previous settlement price. Rise in open interest along with prices indicate that an uptrend is in place and is likely to be sustained. Volume of trade has increased to 3090, up by 6 against previous trading day.

**Cotton International Fundamentals**

Cotton futures finished lower on month-end liquidation and profit-taking in the markets. The December cotton contract on ICE Futures US dropped 2.08 cents or almost 2% to finish at \$1.0229 per lb. The futures fell as US Dollar moved higher and fresh worries about the viability of last week's Eurozone debt deal to solve the crisis.

**Outlook: Domestic and International**

**In the short term, domestic cotton prices move range bound to weak on higher production estimates, weak demand and fresh arrival expectations.**

**U.S markets may trade range bound to weak due concerns over Eurozone debt crisis is expected to reduce demand of cotton.**

**NCDEX Kapas Futures: as on 01<sup>st</sup> November 2011 (Prices in Rs/20/kg)**

Contract	+/-	Open	High	Low	Close
Feb-11	-2.9	723.6	749.0	723.6	743.0
Mar-11	-	-	-	-	-
Apr-11	1.6	738.0	744.9	735.5	738.0

**Volumes and OI in Lots**

Contract	Volume	Change	OI	Change
12-Feb	7	-26	147	-1
12-Mar	0	-	36	-
12-Apr	3090	6	8167	148

**Spread Feb-12 Mar-12 Apr-12**

Spread	Feb-12	Mar-12	Apr-12
Basis	158.0	-	163.0
Feb-12	-	-	-5.0
Mar-12	-	-	-
Apr-12	-	-	-

**NB:** Spread was done by taking Average of Spot prices at Ahmedabad market for Shankar cotton.

**MCX Kapas Futures: as on 01<sup>st</sup> November 2011 (Prices in Rs/20/kg)**

Contract	+/-	Open	High	Low	Close
Mar-11	1.7	752.0	757.9	750.4	753.2
Apr-11	1.3	749.8	756.7	747.5	750.8

**Volumes and OI in Lots**

Contract	Volume	Change	OI	Change
12-Mar	94	-55	557	5
12-Apr	339	-5	1322	19

**Spread Mar-12 Apr-12**

Spread	Mar-12	Apr-12
Basis	147.8	150.2
Mar-12	-	-2.4
Apr-12	-	-

**NB:** Spread was done by taking Average of Spot prices at Ahmedabad market for Shankar cotton.

**MCX Cotton Futures (29 mm Variety): Updated price as on 01<sup>st</sup> November 2011 (Prices in Bales)**

Contract	+/-	Open	High	Low	Close
Dec-11	140	18100	18350	18070	18220
Jan-12	120	18100	18350	18070	18200
Mar-12	300	18150	18440	18150	18400

**Cotton Prices at Key Spot Markets**

Centre	Prices		Change
	01-11-11	31-10-11	
Kadi – Bt Cotton#	4625-4900	4550-4900	Unch
Amravati – Vunni Mech-1#	4200-4400	4300-4700	-300
Ahmedabad – Shankar-6#	4260-4750	4260-4750	Unch
Abhor – J-34*	3710	3725	-15
Muktsar – J-34*	3710	3725	-15

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

**Cotton Arrivals in Key Centers**

Centre	Arrivals		Change
	01-11-11	31-10-11	
Kadi –Bt Cotton	300	200	100
Amravati –Vunni Mech-1	300	300	Unch
Ahmedabad – Shankar-6	15000	20000	-5000
Abohar	1200	1200	Unch
Muktsar	250	200	50

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

**Cotton Prices at Other Centers: As on 01/11/2011**

State	Market Center	Arrivals	Variety	Minimum Price	Maximum Price	Modal Price
		Tonnes		Rs/Quintal		
Andhra Pradesh	Adilabad	912	Cotton (Unginned)	3900	4200	4050
	Bhainsa	511.7	Cotton (Unginned)	4000	4311	4200
	Chilakaluripet	0.1	Other	3000	3000	3000
	Choppadandi	69.9	Cotton (Unginned)	3700	4120	4070
	Pidugurala	0.1	Cotton (Unginned)	3400	3600	3500
	Proddatur	NR	MCU 5	4300	4400	4350
	Tadikonda	0.1	Cotton (Unginned)	3000	3200	3100

<b>Gujarat</b>	Bhavnagar	31.2	Other	4305	4725	4515
	Bodeli	120	Shanker 6 (B) 30mm Fine	4830	5001	4875
	Dhoraji	43.4	H.B (Unginned)	3900	4790	4680
	Himatnagar	24.1	Other	4555	4750	4653
	Jasdan	120	Other	3250	4750	4375
	Modasa	5	Other	4650	4855	4800
	Rajula	72.5	Shanker 6 (B) 30mm Fine	4255	4735	4495
	Savli	NR	G-6	4450	4600	4550
	Una	40	Shanker 6 (B) 30mm Fine	4495	4755	4600
	Unava	505	Other	4500	4915	4765
	Vakener	120	Other	4205	4680	4585
<b>Madhya Pradesh</b>	Khetia	118.9	H4	3900	4720	4310
	Manawar	82	Other	4000	4500	4300
	Sailana	14	DCH-32 (Ginned)	4903	5000	4950
<b>Punjab</b>	Abohar	460	American	4125	4345	4315
	Dhuri	0.5	American	3800	4200	4200
	Kotkapura	40.1	American	3200	4416	4208
	Malout	190	Other	4100	4405	4355
	Raman	179.2	Other	3800	4365	4275
	Sangrur	1.5	American	4000	4350	4325
<b>Rajasthan</b>	Anoopgarh	177.6	American	4054	4166	4110
	Hanumangarh	997.2	American	4375	4418	4375
	Raisingh Nagar	73.5	American	3912	4190	4100
	Sri Karanpur	110.6	American	3130	4250	4200
	Sumerpur	73.9	Other	3000	4400	4295
<b>Tamil Nadu</b>	Annur	NR	Other	4960	5020	4990
	Konganapuram	NR	Cotton (Ginned)	4000	4350	4175
	Kovilpatti	NR	LRA	3000	4000	3500

	Salem	NR	cotton (Ginned)	4300	5100	4700
	Tiruchengode	NR	LRA	3800	4100	3950
	Usilampatty	NR	LRA	2520	2820	2670
	Villupuram	5	Other	2069	3999	3000

**Cotton Association of India Spot Rates: As on 01/11/2011**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy
<b>Bengal Deshi (RG)/ Assam Comilla</b>	Below 22mm	5.0 - 7.0	15	36900
<b>Bengal Deshi (SG)</b>	Below 22mm	5.0 - 7.0	15	37300
<b>V-797</b>	22mm	4.5 -5.9	19	24500
<b>J-34</b>	25mm	3.5 - 4.9	23	32500
<b>H-4/ MECH-1</b>	28mm	3.5 - 4.9	25	36300
<b>Shankar-6</b>	29mm	3.5 - 4.9	26	39500
<b>Bunny/ Brahma</b>	31mm	3.5 - 4.9	27	39400
<b>MCU-5/ Surabhi</b>	33mm	3.3 - 4.5	28	40500
<b>DCH-32</b>	35mm	2.8 - 3.6	31	49000

**Cotlook Index: As on 31/10/2011**

Cotlook Indices	Cents/Pound	Change
<b>A-Index</b>	112.6	Unch

**China Cotton Index: As on 31/10/2011**

Index	RMB/Ton	Change
<b>CCIndex(328)</b>	19381	-28
<b>CCIndex(527)</b>	16841	-31
<b>CCIndex(229)</b>	20770	-30

RMB- Renminbi, 1RMB= 0.156769 \$U.S.

**USDA Cotton Spot rates: As on 31/10/2011**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
<b>Southeast</b>	102.29	104.04	314
<b>North Delta</b>	101.29	102.29	36
<b>South Delta</b>	101.29	102.29	Nil
<b>East TX-OK</b>	98.25	101.00	Nil
<b>West Texas</b>	98.25	100.75	1,364

<b>Desert SW</b>	98.79	104.79	Nil
<b>SJ Valley</b>	99.79	109.19	2,100

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: As on 31/10/2011**

Contract	Open	High	Low	Close	Change
<b>Dec-11</b>	104.00	104.64	101.14	102.29	-2.08
<b>Mar-12</b>	102.16	102.85	99.50	100.82	-1.68
<b>May-12</b>	101.84	101.98	98.50	100.07	-1.61
<b>Jul-12</b>	100.87	100.99	98.13	99.34	-1.50
<b>Oct-12</b>	96.98	96.98	96.98	96.98	-1.50
<b>Dec-12</b>	96.00	96.51	94.85	96.51	-1.33

\*Prices in USc

**Pakistan Cotton Spot rates: As on 31/10/2011 (in Pakistan Rupees)**

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
<b>Cotton</b>	37.324 Kgs	5750	130	5750
<b>Equivalent</b>	40 Kgs	6162	130	6192

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