

"The daily reports will not be available on Tue 28 Feb 2012 due to assembly elections".

Cotton Domestic Fundamentals:

Overall dull trade activities featured in the cotton markets on Monday. Arrivals dropped from the previous day arrivals as farmers are not showing their interest to sell at the current level as price are continuing coming down. However, demand is also reducing as ginners and spinners believe that price will come down further. Moving forward we expect cotton prices to stay range bound with growers' intention to sell cotton in major trading centers in case any near term price rise. At the same time importers are waiting for prices to correct. We expect cotton demand to stay weak in near term.

Cotton International Fundamentals

Major Cotton growing countries like China, India, Pakistan, Brazil, Central Asia and Australia are expected to grow lower cotton crop in 2012-13. India is likely to plant 26.5 million bales down 2% from 2011-12 planting. Pakistan, Brazil and Australia are also expected to cut planting in 2012-13 by 4% to 10 million bales, 6% to 8.5 million bales, 6% to 4.7 million bales respectively compared from the year 2011-12.

Outlook: Domestic and International

Considering domestic as well as international factors we expect domestic cotton price is likely to stay range bound for short term. Any immediate rise might be a selling opportunity in spot market.

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

Contract	+/-	Open	High	Low	Close
Mar-12	-33.50	819.00	819.00	810.50	810.50
Apr-12	-33.50	833.00	833.00	807.50	807.50

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

Contract	+/-	Open	High	Low	Close
Mar-12	-33.40	816.00	824.00	801.10	801.10
Apr-12	-33.90	838.70	838.70	813.60	813.6

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-12	4	1	12	2
Apr-12	6663	1941	9518	33

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-12	431	301	738	55
Apr-12	1137	586	899	100

Spread
March-12
April-12

Basis

29.5

March-12

3

Spread
March-12
April-12

Basis

38.9

March-12

-12.5

NB: Spread was done by taking avg spot prices at Ahmedabad market for Shankar cotton. Basis = Spot - April

NB: Spread was done by taking avg spot prices at Ahmedabad market for Shankar cotton. Basis = Spot - March

MCX Cotton Futures (29 mm Variety): Prices in Bales

Contract	% Change	Open	High	Low	Close
30-Mar-12	-1.3	16980	16980	16690	16760
30-Apr-12	-1.27	17260	17260	17060	17150
31-May-12	-1.75	17280	17460	17280	17450
29-Jun-12	-1.12	17650	17650	17650	17650

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	27-02-12	25-02-12	
Kadi – Bt Cotton	4050-4325	3950-4450	-125
Amravati – Vunni Mech-1	3800	3850	-50
Ahmedabad – Shankar-6	4100-4300	4100-4150	+150
Abhor – J-34	3515	3525	-10
Muktsar – J-34	3515	3525	-10

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	27-02-12	25-02-12	
Kadi –Bt Cotton (truck)	150	250	-100
Amravati –Vunni Mech-1 (bales)	7000	5000	+2000
Ahmedabad – Shankar-6	40000	50000	-10000
Abohar (bales)	400	550	-150
Muktsar (bales)	150	250	-100

Cotton Association of India Spot Rates: As on 25/02/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy
Bengal Deshi (RG)/ Assam Comilla	Below 22mm	5.0 - 7.0	15	33200
Bengal Deshi (SG)	Below 22mm	5.0 - 7.0	15	34200
J-34	25mm	3.5 - 4.9	23	30600
H-4/ MECH-1	28mm	3.5 - 4.9	25	32900
Shankar-6	29mm	3.5 - 4.9	26	34300
Bunny/ Brahma	31mm	3.5 - 4.9	27	34800
MCU-5/ Surabhi	33mm	3.3 - 4.5	28	N.A.
DCH-32	35mm	2.8 - 3.6	31	47300

Cotlook Index: As on 24/02/2012

Cotlook Indices	Cents/Pound	Change
A-Index	98.15	-1.20

China Cotton Index: As on 27/02/2012

Index	RMB/Ton	Change
CCIndex(328)	19621	-2
CCIndex(527)	16966	-2
CCIndex(229)	20882	+1

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

USDA Cotton Spot Rates: As on 24/02/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	84.90	87.15	701
North Delta	84.15	85.15	NIL
South Delta	84.15	85.15	NIL
East TX-OK	80.75	85.50	101
West Texas	81.00	86.50	259
Desert SW	82.40	88.15	NIL
SJ Valley	83.65	94.05	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 24/02/2012

Contract	Open	High	Low	Close	Change
Mar-12	88.48	90.11	88.22	89.85	+2.37
May-12	89.30	90.72	89.02	90.15	+0.92
Jul-12	91.01	91.89	90.32	91.35	+0.74
Oct-12	91.76	91.76	91.76	91.76	+0.41
Dec-12	90.00	90.80	89.56	90.38	+0.38
Mar 13	91.44	91.63	91.06	91.63	+0.30

Pakistan Cotton Spot rates: As on 25/02/2012 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5500	130	5630
Equivalent	40 Kgs	5894	130	6024

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