

Cotton Domestic Fundamentals:

- Despite Shankar market, most of the key markets ended on higher side on back of rising domestic demand.
- Arrival was seen improving from Amravati, and Ahmedabad. Ginners and handlooms has now started to buy at some extend which boost up market today.
- Exporters were also seen active as in expectation of Chinese demand may again come in the market.

Cotton International Fundamentals

It is expected that Chinese government may further step forward to increase its state reserve importing cotton from its overseas market as China is expected to plant cotton down by 6.1% to 5.09 million hectares in 2012 from the previous year 2011, recently revealed in Shanghai Securities News Report.

Outlook: Domestic and International

Considering domestic as well as international factors we expect domestic cotton price is likely to stay range bound to firm in upcoming days.

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

Contract	+/-	Open	High	Low	Close
Mar-12	22.50	850.00	852.50	819.00	852.5
Apr-12	-7.50	858.00	881.00	846.00	854.0

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

Contract	+/-	Open	High	Low	Close
Mar-12	-6.90	845.00	858.80	828.70	834.0
Apr-12	-7.50	869.10	881.00	848.10	854.5

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-12	4	0	10	0
Apr-12	9030	1039	8561	143

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-12	600	-159	633	-13
Apr-12	1215	214	631	-45

Spread	March-12	April-12
Basis	-7.5	
March-12		1.5

Spread	March-12	April-12
Basis	11	
March-12		-20.5

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

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

Contract	% Change	Open	High	Low	Close
30-Mar-12	-0.17	17360	17650	17200	17330
30-Apr-12	0.17	17650	18050	17650	17750
31-May-12	0.61	18020	18430	18020	18180

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	2-03-12	1-03-12	
Kadi – Bt Cotton	3900-4400	3950-4150	+250
Amravati – Vunni Mech-1	3800	3750	+50

Ahmedabad – Shankar-6	4150-4300	4200-4350	-50
Abhor – J-34	3600	3500	+100
Muktsar – J-34	3620	3520-3525	+95

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	2-03-12	1-03-12	
Kadi –Bt Cotton (truck)	250	250	Unch
Amravati –Vunni Mech-1 (bales)	7000	5000	+2000
Ahmedabad – Shankar-6	45000	40000	+5000
Abohar (bales)	400	400	Unch
Muktsar (bales)	200	200	Unch

Cotton Association of India Spot Rates: As on 1/03/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy
Bengal Deshi (RG)/ Assam Comilla	Below 22mm	5.0 - 7.0	15	33700
Bengal Deshi (SG)	Below 22mm	5.0 - 7.0	15	34700
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	34400
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	47000

Cotlook Index: As on 1/03/2012

Cotlook Indices	Cents/Pound	Change
A-Index	99.30	-1.35

China Cotton Index: As on 2/03/2012

Index	RMB/Ton	Change
CCIndex(328)	19601	-5
CCIndex(527)	16955	-1
CCIndex(229)	20875	-3

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

USDA Cotton Spot Rates: As on 1/03/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	84.17	87.17	6966
North Delta	83.67	84.67	NIL
South Delta	83.67	84.67	NIL
East TX-OK	82.00	86.75	1067
West Texas	82.25	88.25	1698
Desert SW	81.92	87.67	NIL
SJ Valley	83.17	93.57	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 1/03/2012

Contract	Open	High	Low	Close	Change
Mar-12	90.10	90.10	87.38	88.46	-1.40
May-12	90.74	91.49	89.46	89.67	-0.77

Jul-12	92.11	92.76	90.83	91.05	-0.82
Oct-12	92.60	92.60	91.88	91.88	-0.90
Dec-12	91.10	91.98	90.30	90.88	-0.30
Mar 13	93.30	93.30	92.06	92.28	-0.40

Pakistan Cotton Spot rates: As on 1/03/2012 (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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