

Cotton Domestic Fundamentals:

Steady to firm sentiments featured in the cotton spot market on Saturday as aggressive buying remain missing in the market. On other hand, arrivals were seen unchanged in most of the key markets like Kadi, Ahmedabad and Abhor. As producers are not definite about market movement further. However, exporters are slowing entering the market as they believe that China may import fiber further. Stockiest have also started to procure the stock in expectation of hike in cotton price during coming days, which is likely to support cotton price. Ginners and handlooms are waiting for more correction in prices to go for aggressive buying.

The CCI has procured less than one lakh bales to 12 lakh bales against previous year (2010-11) i.e. 13 lakh bales.

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 trade steady to firm during upcoming days.

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

Contract	+/-	Open	High	Low	Close
Mar-12	-18.50	838.00	853.00	834.00	834.0
Apr-12	-4.00	857.00	864.50	842.50	848.0

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

Contract	+/-	Open	High	Low	Close
Mar-12	-2.10	835.00	843.00	825.50	830.0
Apr-12	-2.40	848.00	866.00	845.00	851.3

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-12	7	3	10	0
Apr-12	3471	-5559	8679	118

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-12	179	-421	637	4
Apr-12	437	-778	646	15

Spread

	March-12	April-12
Basis	11	
March-12		-14

Spread

	March-12	April-12
Basis	-15	
March-12		-21.3

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	-0.87	17200	17340	17080	17170
30-Apr-12	-1.02	17650	17690	17460	17520
31-May-12	-1.38	18150	18150	17850	17920
29-Jun-12	0.9	18270	18270	17900	17900

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	3-03-12	2-03-12	
Kadi – Bt Cotton	3900-4400	3900-4400	Unch
Amravati – Vunni Mech-1	3800	3800	Unch
Ahmedabad – Shankar-6	4150-4300	4150-4300	Unch
Abhor – J-34	3700	3600	+100
Muktsar – J-34	3700	3620	+80

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	3-03-12	2-03-12	
Kadi –Bt Cotton (truck)	250	250	Unch
Amravati –Vunni Mech-1 (bales)	5000	7000	-2000
Ahmedabad – Shankar-6	45000	45000	Unch
Abohar (bales)	400	400	Unch
Muktsar (bales)	200	200	Unch

Cotton Association of India Spot Rates: As on 2/03/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy
Bengal Deshi (RG)/ Assam Comilla	Below 22mm	5.0 - 7.0	15	34200
Bengal Deshi (SG)	Below 22mm	5.0 - 7.0	15	35400
J-34	25mm	3.5 - 4.9	23	31400
H-4/ MECH-1	28mm	3.5 - 4.9	25	33500
Shankar-6	29mm	3.5 - 4.9	26	35000
Bunny/ Brahma	31mm	3.5 - 4.9	27	35400
MCU-5/ Surabhi	33mm	3.3 - 4.5	28	N.A.
DCH-32	35mm	2.8 - 3.6	31	47500

Cotlook Index: As on 2/03/2012

Cotlook Indices	Cents/Pound	Change
A-Index	98.60	-0.70

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 2/03/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	82.73	85.73	NIL
North Delta	82.23	83.23	NIL
South Delta	82.23	83.23	NIL
East TX-OK	80.50	85.25	171
West Texas	80.75	86.75	1186
Desert SW	80.48	86.23	NIL
SJ Valley	81.73	92.13	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 2/03/2012

Contract	Open	High	Low	Close	Change
Mar-12	88.29	88.29	87.46	87.46	-1.00
May-12	89.82	90.50	87.80	88.23	-1.44
Jul-12	91.10	91.66	89.21	89.59	-1.46
Oct-12	90.62	90.62	90.62	90.62	-1.26
Dec-12	91.00	91.35	89.30	89.92	-0.96
Mar 13	91.82	92.15	90.90	91.42	-0.86

Pakistan Cotton Spot rates: As on 2/03/2012 (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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