

Cotton Domestic Fundamentals:

Mixed tone featured in cotton spot market on Monday amid lower than expected demand from domestic millers. Sources said that millers don't have enough amounts to buy cotton, however their already procured stocks are dwindling. Arrival in Ahmadabad market reported down compared to previous day.

The government has banned raw cotton export with immediate effect disclosed by the Directorate General of Foreign Trade. Since the reason is not revealed by the Government at the moment. Where as it is assuming that government is planning to increase domestic fibre supply. The ban on cotton export will affect on cotton prices adversely and may cause to pull down prices during upcoming trading sessions.

Cotton International Fundamentals

ICE future may move upside as India has ban on cotton export however, Chinese demand is increasing and may move to U.S. cotton further to fulfill their fibre requirement.

Outlook: Domestic and International

Considering domestic as well as international factors we expect domestic cotton price is likely to stay range bound to week majorly affected by imposing ban on domestic cotton export by the government.

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

Contract	+/-	Open	High	Low	Close
Mar-12	-	-	-	-	-
Apr-12	-33.50	843.00	843.00	815.50	815.5

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

Contract	+/-	Open	High	Low	Close
Mar-12	-33.20	825.20	839.20	796.80	796.8
Apr-12	-34.10	842.00	863.00	817.20	817.2

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-12	-	-	9	0
Apr-12	4680	4673	9207	9197

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-12	420	241	680	43
Apr-12	869	432	865	219

Spread

	March-12	April-12
Basis	6.5	
March-12		

Spread

	March-12	April-12
Basis	25.2	
March-12		-20.4

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	-4.02	17010	17010	16470	16470
30-Apr-12	-3.99	17500	17500	16830	16830
31-May-12	-4.02	17390	17390	17210	17210
29-June-12	-4.03	17590	17590	17400	17400

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	5-03-12	3-03-12	
Kadi – Bt Cotton	3750-4200	3900-4400	-200
Amravati – Vunni Mech-1	3800	3800	Unch
Ahmedabad – Shankar-6	4000-4225	4150-4300	-75
Abhor – J-34	3520	3700	+100
Muktsar – J-34	3520	3700	+80
Fajlika Punjab	3600-4110	3750-4360	-250

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	5-03-12	3-03-12	
Kadi –Bt Cotton (truck)	400	250	+150
Amravati –Vunni Mech-1 (bales)	5000	5000	Unch
Ahmedabad – Shankar-6	35000	45000	-10000
Abohar (bales)	500	400	+100
Muktsar (bales)	300	200	+100
Fajlika Punjab (quintal)	1800	1800	Unch

Cotton Association of India Spot Rates: As on 3/03/2012

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	31500
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 5/03/2012

Index	RMB/Ton	Change
CCIndex(328)	19599	-2
CCIndex(527)	16952	-3
CCIndex(229)	20867	-8

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

Disclaimer

The information and opinions contained in the document have been compiled from sources believed to be reliable. The company does not warrant its accuracy, completeness and correctness. Use of data and information contained in this report is at your own risk. This document is not, and should not be construed as, an offer to sell or solicitation to buy any commodities. This document may not be reproduced, distributed or published, in whole or in part, by any recipient hereof for any purpose without prior permission from the Company. IASL and its affiliates and/or their officers, directors and employees may have positions in any commodities mentioned in this document (or in any related investment) and may from time to time add to or dispose of any such commodities (or investment). Please see the detailed disclaimer at <http://www.agriwatch.com/Disclaimer.asp>
 © 2005 Indian Agribusiness Systems Pvt Ltd.