

**Cotton Domestic Fundamentals:**

Majorly weak tone featured in the cotton spot market amid missing export activities and sluggish domestic demand. Traders said that millers are not showing their interest to buy cotton due to less profit margin and ready to switch other crop like Guar due to higher profit realization, which will directly impact on cotton prices adversely. Meanwhile, Indian government imposed a ban on raw cotton export for the purpose of increasing domestic raw cotton supplies so that textile and Yarn manufacturer may buy at lower level. Arrivals in all the key markets declined from the previous day as producers are getting lowest price. Whereas, Ginners and handlooms are waiting for more correction in prices to go for aggressive buying. Overall market sentiments are weak and may continue until government take further action in favor of cotton.

**Cotton International Fundamentals**

ICE future gained on back of rising China demand amid recently imposed restriction to export raw cotton from India. Resultantly U.S. cotton demand may increase and support ICE future price further to rise.

**Outlook: Domestic and International**

We expect domestic cotton price is likely to stay range bound to weak for upcoming days.

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

Contract	+/-	Open	High	Low	Close
Mar-12	-8.50	791.50	805.50	791.50	-8.50
Apr-12	13.50	809.00	830.00	791.50	13.50

**Volumes and OI in Lots**

Contract	Volume	Change	OI	Change
Mar-12	4680	4680	8	-1
Apr-12	8706	4026	8402	-805

**Spread**
**March-12**
**April-12**

Basis

-4.50

March-12

-24.50

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

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

Contract	+/-	Open	High	Low	Close
Mar-12	12.20	785.00	810.00	772.90	809.00
Apr-12	13.30	807.00	830.50	792.70	830.50

**Volumes and OI in Lots**

Contract	Volume	Change	OI	Change
Mar-12	930	510	506	-174
Apr-12	2122	1253	657	-208

**Spread**
**March-12**
**April-12**

Basis

-9.00

March-12

-21.50

**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	1.34	15990	17130	15900	16690
30-Apr-12	1.54	16330	17100	16330	17090
31-May-12	1.63	16800	17500	16790	17500
29-June-12	0	17100	17790	17100	17420

**Cotton Prices at Key Spot Markets**

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	6-03-12	5-03-12	
Kadi – Bt Cotton#	3400-3750	3750-4200	<b>-450</b>
Amravati – Vunni Mech-1#	3650-3700	3800	<b>-100</b>
Ahmadabad – Shankar-6#	3900-4100	4000-4225	<b>-125</b>
Abhor – J-34*	3500	3520	<b>-20</b>
Muktsar – J-34*	3500	3520	<b>-20</b>
Fajlika (Punjab)#	-	3600-4110	-
Khandwa (M.P)#	3200-3800	3200-3800	<b>Unch</b>

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

**Cotton Arrivals in Key Centers**

Centre (1 bale = 170 Kg)	Arrivals		Change
	6-03-12	5-03-12	
Kadi –Bt Cotton (truck)	150	400	<b>-250</b>
Amravati –Vunni Mech-1 (bales)	3000	5000	<b>-2000</b>
Ahmadabad – Shankar-6(bales)	30000	35000	<b>-5000</b>
Abohar (bales)	350	500	<b>-150</b>
Muktsar (bales)	100	300	<b>-200</b>
Fajlika Punjab (Qtl)	-	1800	-
Khandwa M.P (Qtl)	-	1000	-

**Cotton Association of India Spot Rates: As on 5/03/2012**

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	33900
J-34	25mm	3.5 - 4.9	23	30500
H-4/ MECH-1	28mm	3.5 - 4.9	25	31500
Shankar-6	29mm	3.5 - 4.9	26	33000
Bunny/ Brahma	31mm	3.5 - 4.9	27	33400
MCU-5/ Surabhi	33mm	3.3 - 4.5	28	N.A.
DCH-32	35mm	2.8 - 3.6	31	45500

**Cotlook Index: As on 5/03/2012**

Cotlook Indices	Cents/Pound	Change
A-Index	97.45	<b>-1.15</b>

**China Cotton Index: As on 6/03/2012**

Index	RMB/Ton	Change
CCIndex(328)	19597	<b>-2</b>
CCIndex(527)	16953	<b>+1</b>
CCIndex(229)	20870	<b>+3</b>

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

**USDA Cotton Spot Rates: As on 5/03/2012**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	86.73	89.73	529
North Delta	86.23	87.23	NIL
South Delta	86.23	87.23	NIL
East TX-OK	84.50	89.25	1001
West Texas	84.75	90.75	1675
Desert SW	84.48	90.23	NIL
SJ Valley	85.73	96.13	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 5/03/2012**

Contract	Open	High	Low	Close	Change
Mar-12	96.21	96.21	90.00	92.71	+5.25
May-12	88.70	92.23	88.42	92.23	+4.00
Jul-12	90.42	93.59	90.00	93.59	+4.00
Oct-12	94.62	94.62	91.89	94.48	+3.86
Dec-12	90.00	93.49	90.00	93.18	+3.26
Mar 13	92.00	94.20	92.00	94.00	+2.58

**Pakistan Cotton Spot rates: As on 5/03/2012 (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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