

Cotton Domestic Fundamentals:

- The Cotton prices noticed weakness on Saturday.
- The decision of ban on cotton exports was not lifted, thereby weighing on the market.
- Arrivals are limited as most of the major ginneries are on strike.
- Buying activities are limited in anticipation of decline in prices in near-term.
- Cotton ginneries in Gujarat have declared indefinite strike following Centre's decision of ban in cotton exports. The move was taken by the Centre for adequate availability of cotton for domestic mills. Nearly 1000 mills have joined the strike.
- Prices are likely to witness weak tone following ban on cotton exports and sluggish demand in the domestic market.

Cotton International Fundamentals

According to the latest report released by USDA, the 2011/12 world cotton supply and demand estimates reflect higher supplies and lower consumption, resulting in an increase of nearly 1.6 million bales in forecast global ending stocks.

Outlook: Domestic and International

Prices are likely to be volatile in near-term. Prices are expected to lower further amid sluggish demand in the domestic market, ban on cotton exports and increase in global ending stocks.

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

Contract	+/-	Open	High	Low	Close
Mar-12	-10.00	810.00	810.00	800.00	800
Apr-12	-12.00	830.00	830.00	816.00	823

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

Contract	+/-	Open	High	Low	Close
Mar-12	-14.60	818.00	818.00	800.10	804.70
Apr-12	-11.40	830.00	830.00	820.00	826.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-12	4	2	8	0
Apr-12	2866	-2837	8478	5

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-12	507	-69	571	32
Apr-12	355	-576	716	11

Spread

	March-12	April-12
Basis	-15.00	
March-12		-25.00

Spread

	March-12	April-12
Basis	-24.80	
March-12		-16.70

NB: Spread was done by taking avg spot prices at Kadi Market as Ahmadabad Market is closed. Basis = Spot-April

NB: Spread was done by taking avg spot prices at Kadi Market as Ahmadabad Market is closed. Basis = Spot-April

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

Contract	% Change	Open	High	Low	Close
29-Jun-12	-1.00	17840	17840	17700	17790
31-May-12	-1.02	17340	17500	17340	17450
30-April-12	-1.16	17170	17170	17000	17100
30-March-12	-1.07	16700	16770	16550	16700

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	10-3-2012	9-3-2012	
Kadi – Bt Cotton	3625-4000	3750-4200	-200
Amravati – Vunni Mech-1	3650-3700	3700	Unch
Ahmedabad – Shankar-6	-	-	-
Abhor – J-34	3510	3580	-70
Muktsar – J-34	3520	3580	-60
Fajlika Punjab	3650-4250	4351	-101
Khandwa M.P	-	-	-

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	10-3-2012	9-3-2012	
Kadi –Bt Cotton (truck)	25	100	-75
Amravati –Vunni Mech-1 (bales)	2000	3500	-1500
Ahmedabad – Shankar-6	-	-	-
Abohar (bales)	500	400	+100
Muktsar (bales)	250	150	+100
Fajlika Punjab (quintal)	1200	1200	Unch
Khandwa M.P (Qtl)	-	-	-

Cotton Association of India Spot Rates: As on 9/3/2012

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	34500
J-34	25mm	3.5 - 4.9	23	30800
H-4/ MECH-1	28mm	3.5 - 4.9	25	32000
Shankar-6	29mm	3.5 - 4.9	26	33500
Bunny/ Brahma	31mm	3.5 - 4.9	27	33500
MCU-5/ Surabhi	33mm	3.3 - 4.5	28	N.Q.
DCH-32	35mm	2.8 - 3.6	31	44500

Cotlook Index: As on 9/3/2012

Cotlook Indices	Cents/Pound	Change
A-Index	99.80	-0.30

China Cotton Index: As on 8/3/2012

Index	RMB/Ton	Change
CCIndex(328)	19593	-7
CCIndex(527)	16956	-1
CCIndex(229)	20886	0

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

USDA Cotton Spot Rates: As on 9/3/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	83.30	86.30	520
North Delta	82.80	83.80	NIL
South Delta	82.80	83.80	NIL
East TX-OK	81.50	86.25	1335
West Texas	81.75	87.75	64
Desert SW	81.05	87.05	NIL

SJ Valley	82.30	92.70	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 9/3/2012

Contract	Open	High	Low	Close	Change
Mar-12	89.70	90.46	88.25	88.80	-0.76
May-12	90.80	91.44	89.35	89.74	-0.96
Jul-12	92.00	92.00	91.48	91.48	-0.96
Oct-12	91.25	91.66	89.87	90.36	-0.93
Dec-12	92.15	92.39	91.14	91.36	-0.78
Mar 13	91.97	91.97	91.06	91.21	-0.76

Pakistan Cotton Spot rates: As on 6/3/2012 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5350	130	5480
Equivalent	40 Kgs	5734	130	5864

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.