

Cotton Domestic Fundamentals:

- Most of the key cotton market witnessed positive tone due to rising domestic demand and comparatively low supplies on Wednesday.
- Farmers mainly in Maharashtra and Gujarat are holding back their stocks as they believe that the Government may intervene to increase prices as costs of seeds and fertilizers and fuel rate went up.
- On other hand, exporters are not actively participating in the market on restriction of fresh issues which is continue weighing on market and restricting prices to touch higher level.
- Millers demand has improved considerably and is likely to increase further, which is protecting market from any major falls.

Cotton International Fundamentals

- Bangladesh has reduced to import cotton from India around 40% and started to import from other countries like Uzbekistan, Australia U.S after an announcement of ban on export in India, which may influence on ICE future positively amid good demand.
- China cotton import stood higher 234% at 616,000 tonnes in February 2012 against corresponding period of last year 2011 due to which global supplies are getting support at higher level.

Outlook: Domestic and International

We expect domestic cotton price is likely to trade in range bound to firm in upcoming days.

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

Contract	+/-	Open	High	Low	Close
Mar-12	-1.50	821.00	821.00	792.00	797.00
Apr-12	11.50	829.00	839.00	824.00	830.00

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

Contract	+/-	Open	High	Low	Close
Mar-12	3.90	814.00	820.00	802.00	806.00
Apr-12	10.70	841.00	842.00	829.30	836.80

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-12	11	9	9	1
Apr-12	4157	53	8186	-358

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-12	305	-166	652	-43
Apr-12	715	11	765	-66

Spread	March-12	April-12
Basis	-27.00	
March-12		-33.00

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

Spread	March-12	April-12
Basis	-36.00	
March-12		-30.80

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	0.72	16750	16800	16600	16700
30-Apr-12	0.77	17100	17140	16980	17070
31-May-12	0.35	17500	17500	17370	17440
29-June-12	-0.06	17800	17920	17710	17810

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	14-3-2012	13-3-2012	
Kadi – Bt Cotton	3700-4000	3675-4000	Unch
Amravati – Vunni Mech-1	3780-3800	-	-
Ahmedabad – Shankar-6	4000-4250	-	-
Abhor – J-34	3600	3360-3380	+220
Muktsar – J-34	3625	3560-3570	+55
Fajlika Punjab	3750-4400	3700-4275	+125
Khandwa M.P	3300-3700	3200-3750	-50

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	14-3-2012	13-3-2012	
Kadi –Bt Cotton (truck)	100	25	+75
Amravati –Vunni Mech-1 (bales)	3000	-	-
Ahmedabad – Shankar-6	5000	-	-
Abohar (bales)	500	400	+100
Muktsar (bales)	300	200	+100
Fajlika Punjab (quintal)	1100	1300	-200
Khandwa M.P (Qtl)	1200	800	+400

Cotton Association of India Spot Rates: As on 13/3/2012

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	30700
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 13/3/2012

Cotlook Indices	Cents/Pound	Change
A-Index	98.45	-0.60

China Cotton Index: As on 14/3/2012

Index	RMB/Ton	Change
CCIndex(328)	19575	+5
CCIndex(527)	16945	+6
CCIndex(229)	20889	+8

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

USDA Cotton Spot Rates: As on 13/3/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	82.54	85.54	133
North Delta	82.04	83.04	NIL
South Delta	82.04	83.04	NIL
East TX-OK	80.75	85.50	1834
West Texas	81.00	87.00	16
Desert SW	80.29	86.29	124
SJ Valley	81.54	91.94	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 13/3/2012

Contract	Open	High	Low	Close	Change
May-12	88.00	88.93	87.94	88.04	+0.04
Jul-12	88.92	89.65	88.75	88.80	-0.13
Oct-12	90.45	90.45	90.45	90.45	-0.37
Dec-12	89.75	90.45	89.60	89.70	-0.09
Mar-13	91.35	91.35	90.80	90.80	-0.30
May-13	90.93	90.93	90.62	90.62	+0.06

Pakistan Cotton Spot rates: As on 13/3/2012 (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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