

Cotton Domestic Fundamentals:

- Mixed sentiments were featured in the Cotton spot market on Friday as farmers and traders including millers are remain in confusion on Government decisions to remove complete ban on raw cotton export.
- Arrivals in most of the markets are showing direct co-relation means arrivals and prices are rising together.
- Madhya Pradesh has contributed total figure in export around 11 lakh bales which is higher than previous year i.e. 12 lakh bales amid the total production estimate in between 16 to 20 lakh bales in this year. Around 60% of cotton has been exported to China, Bangladesh and Pakistan before imposing a ban on cotton export.
- Besides, overseas demand is likely to rise once again during upcoming months which might be a chance to increase exports figure if Government will remove fresh cotton export ban as soon as possible.

Cotton International Fundamentals

- Pakistan is likely to import 1 million bales of cotton of different varieties for its textile use. As on date, Pakistan held around 14 million bales of cotton where textile sectors are expected to consume more than 15 lakh bales of cotton in upcoming month. However, a restriction on fresh exports in India may discourage Pakistan to import its cotton needs from India.
- Upland cotton exports are 282602 bales in Jan 2012, which is higher than December'11 to 203341 bales as per the latest report released by U.S. Commerce Department. Due to which ICE future prices ended higher earlier and likely to support further on account of a restriction on fresh raw cotton exports in India.

Outlook: Domestic and International

We expect domestic cotton price is likely to stay range bound to firm for short term. Any immediate rise might be a selling opportunity in spot market. However, market scenario could be changed if government will remove ban completely as overseas demand is likely to increase mainly from Pakistan and China.

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

Contract	+/-	Open	High	Low	Close
Mar-12	23.50	810.00	834.00	807.00	834.00
Apr-12	25.50	844.00	863.50	832.00	863.50

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

Contract	+/-	Open	High	Low	Close
Mar-12	30.70	807.00	836.60	804.50	835.10
Apr-12	25.30	846.00	867.60	839.00	867.60

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-12	8	7	5	-5
Apr-12	8683	3924	8410	183

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-12	568	320	456	-149
Apr-12	1289	643	675	-26

Spread	March-12	April-12
Basis	6.00	
March-12		-29.50

Spread	March-12	April-12
Basis	4.90	
March-12		-32.50

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	1.57	17940	18170	17860	18160
30-Apr-12	1.42	17630	17800	17550	17800
31-May-12	1.52	16800	17420	16800	17370
29-June-12	1.2	16700	16970	16500	16930

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	16-3-2012	15-3-2012	
Kadi – Bt Cotton	3750-4000	3600-3900	+100
Amravati – Vunni Mech-1	3850	3750-3800	+50
Ahmedabad – Shankar-6	4150-4250	4000-4250	Unch
Abhor – J-34	3670	3650	+20
Muktsar – J-34	3670	3670	Unch
Fajlika Punjab	3700-4411	3700-4461	-50
Khandwa M.P	3200-4000	3300-3900	+100

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	16-3-2012	15-3-2012	
Kadi –Bt Cotton (truck)	100	150	-50
Amravati –Vunni Mech-1 (bales)	5000	3500	+1500
Ahmedabad – Shankar-6	5000	5000	Unch
Abohar (bales)	700	500	+200
Muktsar (bales)	300	300	Unch
Fajlika Punjab (quintal)	3500	1800	+1700
Khandwa M.P (Qtl)	1500	1500	Unch

Cotton Association of India Spot Rates: As on 15/3/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy
Bengal Deshi (RG)/ Assam Comilla	Below 22mm	5.0 - 7.0	15	33900
Bengal Deshi (SG)	Below 22mm	5.0 - 7.0	15	34700
J-34	25mm	3.5 - 4.9	23	31000
H-4/ MECH-1	28mm	3.5 - 4.9	25	32200
Shankar-6	29mm	3.5 - 4.9	26	33700
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 15/3/2012

Cotlook Indices	Cents/Pound	Change
A-Index	97.55	-0.90

China Cotton Index: As on 16/3/2012

Index	RMB/Ton	Change
CCIndex(328)	19572	-5
CCIndex(527)	16949	0
CCIndex(229)	20902	+6

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

USDA Cotton Spot Rates: As on 15/3/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	81.84	84.84	186
North Delta	81.34	82.34	NIL
South Delta	81.34	82.34	NIL
East TX-OK	79.75	84.50	478
West Texas	80.00	86.25	3361
Desert SW	79.59	85.59	NIL
SJ Valley	80.84	91.24	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 15/3/2012

Contract	Open	High	Low	Close	Change
May-12	87.21	88.26	87.07	87.34	+0.20
Jul-12	87.91	88.98	87.75	88.01	+0.25
Oct-12	90.43	90.43	89.39	89.50	+0.70
Dec-12	88.20	89.18	88.00	88.27	-0.38
Mar-13	89.79	90.08	89.43	89.43	-0.25
May-13	90.00	90.00	89.52	89.52	-0.52

Pakistan Cotton Spot rates: As on 15/3/2012 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5200	130	5330
Equivalent	40 Kgs	5573	130	5703

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.