

Cotton Domestic Fundamentals:

- Continue mixed tone witnessed in Cotton spot market on Saturday due to uncertainty on Government decision.
- Comparatively, arrivals in most of the key markets reported lower from the previous day as farmers have started to hold their stocks once again in expectation of hike in cotton prices.
- 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 could be a chance to increase exports figure if Government will remove fresh cotton export ban as soon as possible.

Cotton International Fundamentals

- According to USDA report, the world cotton export was estimated higher by 8% to 38.8 million bales from last year record despite lower contribution from the country United States and Uzbekistan. The export was mainly attributed due to the bumper crop reported Australia and Brazil.
- 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.

Outlook: Domestic and International

We expect domestic cotton price is likely to stay range bound to firm for short term. However, market scenario could be changed towards stronger upper side if government will remove ban completely as overseas demand is likely to increase mainly from Pakistan and China once again.

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

Contract	+/-	Open	High	Low	Close
Mar-12	-19.00	832.50	832.50	815.00	815.00
Apr-12	-4.00	863.00	867.00	852.00	855.50

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

Contract	+/-	Open	High	Low	Close
Mar-12	-4.70	843.80	843.80	826.50	829.40
Apr-12	-1.90	868.20	872.00	858.10	863.30

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-12	3	-5	5	0
Apr-12	5123	-3560	8589	179

Volumes and OI lots

Contract	Volume	Change	OI	Change
Mar-12	133	-435	417	-39
Apr-12	619	-670	639	-36

Spread	March-12	April-12
Basis	25.00	
March-12		40.50

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

Spread	March-12	April-12
Basis	10.60	
March-12		33.90

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	-0.33	18090	18160	17960	18020
30-Apr-12	-0.17	17720	17800	17650	17720
31-May-12	-0.46	17410	17440	17240	17280
29-June-12	-0.18	16970	16980	16830	16900

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	17-3-2012	16-3-2012	
Kadi – Bt Cotton	3900-4400	3750-4000	+400
Amravati – Vunni Mech-1	3850-3900	3850	+50
Ahmedabad – Shankar-6	4160-4250	4150-4250	Unch
Abhor – J-34	3670	3670	Unch
Muktsar – J-34	3670	3670	Unch
Fajlika Punjab	3700-4451	3700-4411	+40
Khandwa M.P	3350-4000	3200-4000	Unch

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	17-3-2012	16-3-2012	
Kadi –Bt Cotton (truck)	125	100	+25
Amravati –Vunni Mech-1 (bales)	3000	5000	-200
Ahmedabad – Shankar-6	5000	5000	Unch
Abohar (bales)	1000	700	+300
Muktsar (bales)	300	300	Unch
Fajlika Punjab (quintal)	1800	3500	-1700
Khandwa M.P (Qtl)	1200	1500	-300

Cotton Association of India Spot Rates: As on 16/3/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy
Bengal Deshi (RG)/ Assam Comilla	Below 22mm	5.0 - 7.0	15	34400
Bengal Deshi (SG)	Below 22mm	5.0 - 7.0	15	35200
J-34	25mm	3.5 - 4.9	23	31300
H-4/ MECH-1	28mm	3.5 - 4.9	25	32500
Shankar-6	29mm	3.5 - 4.9	26	34000
Bunny/ Brahma	31mm	3.5 - 4.9	27	33800
MCU-5/ Surabhi	33mm	3.3 - 4.5	28	N.Q.
DCH-32	35mm	2.8 - 3.6	31	44500

Cotlook Index: As on 16/3/2012

Cotlook Indices	Cents/Pound	Change
A-Index	97.55	Unch

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 16/3/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	81.98	84.98	NIL
North Delta	81.48	82.48	NIL
South Delta	81.48	82.48	NIL
East TX-OK	79.75	84.50	914
West Texas	80.00	86.25	3691
Desert SW	79.73	85.73	NIL
SJ Valley	80.98	91.38	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 16/3/2012

Contract	Open	High	Low	Close	Change
May-12	87.2	88.17	87	87.48	+0.14
Jul-12	88	88.78	87.53	88.05	+0.04
Oct-12	89.26	89.26	89.26	89.26	-0.24
Dec-12	88	88.88	87.51	88.28	+0.01
Mar-13	89.5	90	88.65	89.31	-0.12
May-13	89.5	89.58	89.04	89.51	-0.01

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

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