

**Cotton Domestic Fundamentals:**

- Mainly week tone witnessed in the cotton spot market on back of higher supplies and lower demand.
- Arrivals in most of the markets registered higher side as farmers are releasing their stocks.
- 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 Sowing is likely to start in late April or 1st week of May 2012. However, lower area coverage is expected to cover under Cotton due to rising input cost against lower profit margin.

**Cotton International Fundamentals**

- According to USDA latest report, world ending stocks in 2012 is expected to touch 62.3 higher from the last year 60.77 million bales which is fundamentally bearish outlook for ICE Future prices.
- 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 weak on reducing demand for upcoming days.

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

Contract	+/-	Open	High	Low	Close
Mar-12	<b>-26.00</b>	797.00	797.00	795.00	795.00
Apr-12	<b>-29.50</b>	851.00	851.00	823.00	826.50

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

Contract	+/-	Open	High	Low	Close
Mar-12	<b>-14.80</b>	822.00	825.40	806.70	814.60
Apr-12	<b>-27.30</b>	858.00	858.00	832.00	836.00

**Volumes and OI in Lots**

Contract	Volume	Change	OI	Change
Mar-12	3	0	6	1
Apr-12	7070	1947	8622	33

**Volumes and OI lots**

Contract	Volume	Change	OI	Change
Mar-12	190	57	402	-15
Apr-12	1167	548	757	118

Spread	March-12	April-12
Basis	51.00	
March-12		31.50

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

Spread	March-12	April-12
Basis	31.40	
March-12		21.40

**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	<b>-1.22</b>	17900	17900	17820	17820
30-Apr-12	<b>-1.41</b>	17550	17620	17370	17440
31-May-12	<b>-1.68</b>	17150	17210	16940	16980
29-June-12	<b>-1.66</b>	16680	16790	16550	16590

**Cotton Prices at Key Spot Markets**

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	19-3-2012	17-3-2012	
Kadi – Bt Cotton	3900-4400	3900-4400	Unch
Amravati – Vunni Mech-1	-	3850-3900	-
Ahmedabad – Shankar-6	4160-4300	4160-4250	+50
Abhor – J-34	3450-3490	3670	-180
Muktsar – J-34	3480	3670	-190
Fajlika Punjab	3600-4250	3700-4451	-201
Khandwa M.P	-	3350-4000	-

**Cotton Arrivals in Key Centers**

Centre (1 bale = 170 Kg)	Arrivals		Change
	19-3-2012	17-3-2012	
Kadi –Bt Cotton (truck)	60	125	-65
Amravati –Vunni Mech-1 (bales)	-	3000	-
Ahmedabad – Shankar-6	20000	5000	+15000
Abohar (bales)	1300	1000	+300
Muktsar (bales)	700	300	+400
Fajlika Punjab (quintal)	3500	1800	+1700
Khandwa M.P (Qtl)	-	1200	-

**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 19/3/2012**

Index	RMB/Ton	Change
CCIndex(328)	19564	-8
CCIndex(527)	16935	-14
CCIndex(229)	20893	-9

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	87.20	88.17	87.00	87.48	+0.14
Jul-12	88.00	88.78	87.53	88.05	+0.04
Oct-12	89.26	89.26	89.26	89.26	-0.24
Dec-12	88.00	88.88	87.51	88.28	+0.01
Mar-13	89.50	90.00	88.65	89.31	-0.12
May-13	89.50	89.58	89.04	89.51	-0.01

**Pakistan Cotton Spot rates: As on 16/3/2012 (in Pakistan Rupees)**

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5250	130	5380
Equivalent	40 Kgs	5626	130	5756

**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.