

Cotton Domestic Fundamentals:

- Mixed sentiments witnessed in the Cotton spot market on Tuesday as farmers and traders including millers are remain indecisive on Government decisions to remove complete ban on raw cotton export.
- Arrivals declined comparatively as farmers are again suffering for profitable prices.
- Farmers in Gujarat faced around 15,000 crore loss on cotton export after imposing ban on export as revealed by the Gujarat Chief minister Mr. Narendra Modi.

Cotton International Fundamentals

- ICE future ended on higher side supported by trading activities. If India will continue its ban on raw cotton fresh issues then import demand may switch towards USA and will support price to further gain.

Outlook: Domestic and International

We expect domestic cotton price is likely to stay range bound to weak on bearish fundamentals.

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

Contract	+/-	Open	High	Low	Close
Mar-12	-6.00	773.00	790.00	773.00	790.00
Apr-12	-4.00	823.00	834.50	810.00	822.50

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

Contract	+/-	Open	High	Low	Close
Mar-12	-5.00	814.00	817.00	803.80	807.20
Apr-12	-1.70	835.00	842.60	820.10	833.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-12	2	-1	6	0
Apr-12	6416	-654	8936	314

Volumes and OI lots

Contract	Volume	Change	OI	Change
Mar-12	172	-18	430	28
Apr-12	779	-388	802	45

Spread	March-12	April-12
Basis	42.50	
March-12		32.50

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

Spread	March-12	April-12
Basis	25.30	
March-12		25.80

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	-0.56	17820	17820	17670	17740
30-Apr-12	-0.86	17470	17470	17230	17300
31-May-12	-0.59	16910	17060	16830	16920
29-June-12	-0.42	16700	16700	16470	16560

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	20-3-2012	19-3-2012	
Kadi – Bt Cotton	3900-4250	3900-4400	-150
Amravati – Vunni Mech-1	-	-	-
Ahmedabad – Shankar-6	4100-4225	4160-4300	-75
Abhor – J-34	3530	3450-3490	+40
Muktsar – J-34	3530	3480	+50
Fajlika Punjab	3700-4200	3600-4250	-50
Khandwa M.P		-	-

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	20-3-2012	19-3-2012	
Kadi –Bt Cotton (truck)	125	60	+65
Amravati –Vunni Mech-1 (bales)		-	-
Ahmedabad – Shankar-6	25000	20000	+5000
Abohar (bales)	1000	1300	-300
Muktsar (bales)	350	700	-350
Fajlika Punjab (quintal)	3000	3500	-500
Khandwa M.P (Qtl)		-	-

Cotton Association of India Spot Rates: As on 19/3/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy
Bengal Deshi (RG)/ Assam Comilla	Below 22mm	5.0 - 7.0	15	34200
Bengal Deshi (SG)	Below 22mm	5.0 - 7.0	15	35000
J-34	25mm	3.5 - 4.9	23	30400
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 19/3/2012

Cotlook Indices	Cents/Pound	Change
A-Index	97.65	+0.10

China Cotton Index: As on 20/3/2012

Index	RMB/Ton	Change
CCIndex(328)	19565	+1
CCIndex(527)	16939	+4
CCIndex(229)	20895	+2

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

USDA Cotton Spot Rates: As on 19/3/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	83.58	86.58	200
North Delta	83.08	84.08	24
South Delta	83.08	84.08	NIL
East TX-OK	80.50	85.25	929
West Texas	80.75	87.00	2059
Desert SW	81.33	87.33	NIL
SJ Valley	82.58	92.98	553

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 19/3/2012

Contract	Open	High	Low	Close	Change
May-12	87.73	89.58	87.62	89.08	+1.60
Jul-12	88.28	90.05	88.26	89.90	+1.85
Oct-12	90.84	90.84	90.84	90.84	+1.58
Dec-12	88.31	89.64	88.28	88.59	+1.31
Mar-13	89.57	90.57	89.35	90.57	+1.26
May-13	89.92	90.52	89.51	90.52	+1.01

Pakistan Cotton Spot rates: As on 19/3/2012 (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

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