

**Cotton Domestic Fundamentals:**

- The cotton prices declined on lackluster domestic demand on Wednesday despite lower supplies.
- However, cumulative arrivals reported down by 9.2% to 241.7 lakh bales against preceding year arrivals to 264 lakh bales. As farmers are waiting on CCI movement to hike Minimum Support prices.
- Exporters activity are very slow in the market which is continue weighing on cotton prices resulting cotton price are not getting support at higher level.
- On other hand, farmers' intention towards sowing for 2012/13 cotton season is likely to begin late April month or 1<sup>st</sup> week of May 2012. However, they are in view to cover lower area and likely to switch towards other crop like Guar and Soybean due to higher profit margin.

**Cotton International Fundamentals**

- India appealed Kenya to reduce import duty on imports of man fibres textiles. Kenya has imposed import duties on Yarn and fibre up to 25% and on man-made fibre textile up to 50%.
- Short positions are increasing in ICE future market. Sources revealed that around 7,553 lots net short positions are build up as of March higher from net long position of Feb month i.e. 14,000 lots.

**Outlook: Domestic and International**

We expect domestic cotton price is likely to stay range bound to Week for short term. Any immediate rise might be a selling opportunity in spot market. However, market scenario could be changed if CCI will increase Minimum Support Prices.

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

Contract	+/-	Open	High	Low	Close
Mar-12	-16.50	765.00	765.00	765.00	765.00
Apr-12	-1.00	827.00	834.00	818.50	822.00

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

Contract	+/-	Open	High	Low	Close
Mar-12	-3.20	808.00	815.00	800.10	805.00
Apr-12	1.00	832.00	842.20	827.00	832.10

**Volumes and OI in Lots**

Contract	Volume	Change	OI	Change
Mar-12	1	-1	5	-1
Apr-12	5430	-986	8602	-334

**Volumes and OI lots**

Contract	Volume	Change	OI	Change
Mar-12	174	2	410	-20
Apr-12	1097	318	815	13

Spread	March-12	April-12
Basis	25.00	
March-12		57.00

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

Spread	March-12	April-12
Basis	-15.00	
March-12		27.10

**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	-0.28	17750	17860	17730	17730
30-Apr-12	-0.12	17300	17390	17280	17280
31-May-12	-0.06	16940	17040	16900	16910
29-June-12	-0.06	16600	16650	16520	16560

**Cotton Prices at Key Spot Markets**

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	21-3-2012	20-3-2012	
Kadi – Bt Cotton	3850-4250	3900-4250	Unch
Amravati – Vunni Mech-1	-	-	-
Ahmedabad – Shankar-6	3750-4150	4100-4225	-75
Abhor – J-34	3460-3465	3530	-65
Muktsar – J-34	3470	3530	-60
Fajlika Punjab	3700-4135	3700-4200	-65
Khandwa M.P	3300-3950	-	-

**Cotton Arrivals in Key Centers**

Centre (1 bale = 170 Kg)	Arrivals		Change
	21-3-2012	20-3-2012	
Kadi –Bt Cotton (truck)	100	125	-25
Amravati –Vunni Mech-1 (bales)	-	-	-
Ahmedabad – Shankar-6	25000	25000	Unch
Abohar (bales)	800	1000	-200
Muktsar (bales)	500	350	+150
Fajlika Punjab (quintal)	2100	3000	-900
Khandwa M.P (Qtl)	1600	-	-

**Cotton Association of India Spot Rates: As on 20/3/2012**

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	32400
Shankar-6	29mm	3.5 - 4.9	26	33900
Bunny/ Brahma	31mm	3.5 - 4.9	27	33700
MCU-5/ Surabhi	33mm	3.3 - 4.5	28	N.Q.
DCH-32	35mm	2.8 - 3.6	31	44500

**Cotlook Index: As on 20/3/2012**

Cotlook Indices	Cents/Pound	Change
A-Index	98.85	+1.20

**China Cotton Index: As on 21/3/2012**

Index	RMB/Ton	Change
CCIndex(328)	19557	-8
CCIndex(527)	16940	+1
CCIndex(229)	20891	-4

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

**USDA Cotton Spot Rates: As on 20/3/2012**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	82.90	85.90	200
North Delta	81.90	82.90	52
South Delta	81.90	82.90	NIL
East TX-OK	79.50	84.25	197
West Texas	79.75	86.00	6057
Desert SW	80.15	86.15	NIL
SJ Valley	81.40	91.80	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 20/3/2012**

Contract	Open	High	Low	Close	Change
May-12	88.96	89.10	87.43	87.90	-1.18
Jul-12	89.90	89.95	88.30	88.72	-1.18
Oct-12	89.36	89.36	89.36	89.36	-1.48
Dec-12	89.00	89.44	87.89	88.46	-1.13
Mar-13	89.98	90.08	89.03	89.32	-1.25
May-13	89.40	89.60	89.40	89.60	-0.92

**Pakistan Cotton Spot rates: As on 20/3/2012 (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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