

Cotton Domestic Fundamentals:

- Overall strong price movements witnessed in the Cotton spot markets on Thursday mainly supported by CCI buying activity. Only, Kadi market ended lower amid poor demand.
- CCI has started to buy at the current market prices from two to three mandies which encouraged farmers to sell off their crops. The Cotton Corporation of India added that farmers in India have held one crore bales with the value about Rs.20,000 crore. However, the cotton prices pulled down after imposing export ban by the Government as on 5th March 2012. Due to which, farmers are facing Rs. 2,000 crore loss in cotton.
- Arrivals in most of the markets are showing direct co-relation means arrivals and prices are rising together.
- However, exporters are remained slow in the market due to ban on fresh cotton issues.

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.
- Total cotton export in U.S for 2011/12 has been registered at approx.11.4 million bales against 15.6 million bales during the corresponding period in 2010/11.

Outlook: Domestic and International

Cotton prices are likely to stay range bound to firm for short term as getting buying support from CCI in few mandies.

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

Contract	+/-	Open	High	Low	Close
Mar-12	-	-	-	-	-
Apr-12	-5.00	808.90	810.20	800.10	819.50

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

Contract	+/-	Open	High	Low	Close
Mar-12	-2.70	808.90	810.20	800.10	803.00
Apr-12	-4.70	829.20	839.70	825.20	828.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-12				
Apr-12	4089	-1341	8353	-249

Volumes and OI lots

Contract	Volume	Change	OI	Change
Mar-12	75	-99	417	7
Apr-12	518	-579	815	0

Spread	March-12	April-12
Basis	-22.00	
March-12		

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

Spread	March-12	April-12
Basis	-5.50	
March-12		25.50

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	0.73	17900	18000	17900	17960
30-Apr-12	0.81	17390	17550	17360	17500
31-May-12	1	17000	17150	16980	17100
29-June-12	0.42	16550	16750	16550	16620

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	22-3-2012	21-3-2012	
Kadi – Bt Cotton	3800-4100	3850-4250	-150
Amravati – Vunni Mech-1	3800-3825	-	-
Ahmedabad – Shankar-6	3750-4225	3750-4150	+75
Abhor – J-34	3500	3460-3465	+35
Muktsar – J-34	3520	3470	+50
Fajlika Punjab	3700-4200	3700-4135	+65
Khandwa M.P	3400-4000	3300-3950	+50

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	22-3-2012	21-3-2012	
Kadi –Bt Cotton (truck)	125	100	+25
Amravati –Vunni Mech-1 (bales)	4000	-	-
Ahmedabad – Shankar-6	25000	25000	Unch
Abohar (bales)	1000	800	+200
Muktsar (bales)	500	500	Unch
Fajlika Punjab (quintal)	1800	2100	-300
Khandwa M.P (Qtl)	2400	1600	+800

Cotton Association of India Spot Rates: As on 21/3/2012

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	30100
H-4/ MECH-1	28mm	3.5 - 4.9	25	32100
Shankar-6	29mm	3.5 - 4.9	26	33600
Bunny/ Brahma	31mm	3.5 - 4.9	27	33400
MCU-5/ Surabhi	33mm	3.3 - 4.5	28	N.Q.
DCH-32	35mm	2.8 - 3.6	31	44000

Cotlook Index: As on 21/3/2012

Cotlook Indices	Cents/Pound	Change
A-Index	97.95	-0.90

China Cotton Index: As on 22/3/2012

Index	RMB/Ton	Change
CCIndex(328)	19547	-10
CCIndex(527)	16939	-1
CCIndex(229)	20891	0

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

USDA Cotton Spot Rates: As on 21/3/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	83.56	86.56	756
North Delta	82.31	83.31	NIL
South Delta	82.31	83.31	NIL
East TX-OK	80.00	84.75	794
West Texas	80.25	86.50	3530
Desert SW	80.56	86.56	NIL
SJ Valley	81.81	92.21	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 21/3/2012

Contract	Open	High	Low	Close	Change
May-12	87.56	89.49	87.86	88.31	+0.41
Jul-12	88.80	90.10	88.80	89.08	+0.36
Oct-12	89.63	89.63	89.63	89.63	+0.27
Dec-12	88.94	89.40	88.38	88.56	+0.10
Mar-13	88.75	89.90	89.31	89.31	-0.01
May-13	89.87	89.87	89.39	89.39	-0.21

Pakistan Cotton Spot rates: As on 21/3/2012 (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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