

**Cotton Domestic Fundamentals:**

- Mixed sentiments featured in the Cotton spot market on Friday as farmers and traders including millers are remained uncertain about price movements due to partial running ban.
- Arrivals improved almost in all the key markets besides Muktsar as CCI has started to buy Kapas in the price range of Rs. 3200 to 3800 from Amravati market (Maharashtra) and Rs. 4000 to 4300 from Fajilka market (Gujarat) while at MSP price in Andhra Pradesh where prices declined to MSP prices.
- On other hand, spinners and ginner are in "wait & watch" condition before any further movement.
- Farmers are planning to plant cotton for 2012/13 from late April or 1<sup>st</sup> week of May. However, the performance of cotton during the current season has discouraged famers. Therefore, it is expected that farmers may shift cotton area to other crops like Guar due to higher profit realization.

**Cotton International Fundamentals**

- In the latest report of USDA, World production estimate has been increased to 123.6 million bales from its earlier estimate given in Feb to 123.3 million bales on account of higher production estimate in Pakistan and Brazil to 10.6 and 9.3 million bales respectively in March against 10.4 million bales and 9.0 million bales estimated in Feb.

**Outlook: Domestic and International**

We expect domestic cotton price may trade with range bound to firm on support of CCI procurement.

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

Contract	+/-	Open	High	Low	Close
Mar-12	4.50	765.50	786.00	765.50	786.00
Apr-12	19.00	822.50	844.00	819.50	838.00

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

Contract	+/-	Open	High	Low	Close
Mar-12	2.30	807.00	813.00	801.00	804.80
Apr-12	10.60	832.50	850.00	829.20	839.20

**Volumes and OI in Lots**

Contract	Volume	Change	OI	Change
Mar-12	4		7	
Apr-12	7037	2948	7511	-842

**Volumes and OI lots**

Contract	Volume	Change	OI	Change
Mar-12	165	90	380	-37
Apr-12	1788	1270	942	127

Spread	March-12	April-12
Basis	-30.50	
March-12		52.00

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

Spread	March-12	April-12
Basis	2.70	
March-12		34.40

**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	1.39	18000	18340	17970	18200
30-Apr-12	1.66	17510	17880	17500	17780
31-May-12	1.58	17100	17400	17090	17340
29-June-12	1.32	16640	16910	16610	16850

**Cotton Prices at Key Spot Markets**

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	23-3-2012	22-3-2012	
Kadi – Bt Cotton	3750-4200	3800-4100	+100
Amravati – Vunni Mech-1	3800	3800-3825	-25
Ahmedabad – Shankar-6	3750-4325	3750-4225	+100
Abhor – J-34	3525	3500	+25
Muktsar – J-34	3525	3520	+5
Fajlika Punjab	3700-4150	3700-4200	-50
Khandwa M.P	-	3400-4000	-

**Cotton Arrivals in Key Centers**

Centre (1 bale = 170 Kg)	Arrivals		Change
	23-3-2012	22-3-2012	
Kadi –Bt Cotton (truck)	150	125	+25
Amravati –Vunni Mech-1 (bales)	4000	4000	Unch
Ahmedabad – Shankar-6	35000	25000	+10000
Abohar (bales)	1500	1000	+500
Muktsar (bales)	400	500	-100
Fajlika Punjab (quintal)	2000	1800	+200
Khandwa M.P (Qtl)	-	2400	-

**Cotton Association of India Spot Rates: As on 22/3/2012**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy
Bengal Deshi (RG)/ Assam Comilla	Below 22mm	5.0 - 7.0	15	34100
Bengal Deshi (SG)	Below 22mm	5.0 - 7.0	15	34900
J-34	25mm	3.5 - 4.9	23	30000
H-4/ MECH-1	28mm	3.5 - 4.9	25	32100
Shankar-6	29mm	3.5 - 4.9	26	33500
Bunny/ Brahma	31mm	3.5 - 4.9	27	33300
MCU-5/ Surabhi	33mm	3.3 - 4.5	28	N.Q.
DCH-32	35mm	2.8 - 3.6	31	44000

**Cotlook Index: As on 22/3/2012**

Cotlook Indices	Cents/Pound	Change
A-Index	98.05	+0.10

**China Cotton Index: As on 23/3/2012**

Index	RMB/Ton	Change
CCIndex(328)	19538	-9
CCIndex(527)	16933	-6
CCIndex(229)	20886	-5

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

**USDA Cotton Spot Rates: As on 22/3/2012**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	85.08	88.08	971
North Delta	84.08	85.08	37
South Delta	84.08	85.08	NIL
East TX-OK	81.00	85.75	1094
West Texas	81.25	87.50	2220
Desert SW	81.83	87.83	NIL
SJ Valley	83.08	93.48	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 22/3/2012**

Contract	Open	High	Low	Close	Change
May-12	88.50	89.74	88.05	89.58	+1.27
Jul-12	89.09	90.42	88.86	90.23	+1.15
Oct-12	89.59	90.47	89.59	90.47	+0.84
Dec-12	88.25	89.29	88.25	88.95	+0.39
Mar-13	89.73	90.11	89.71	89.80	+0.49
May-13	89.93	90.17	89.78	89.97	+0.58

**Pakistan Cotton Spot rates: As on 22/3/2012 (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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