

**Cotton Domestic Fundamentals:**

- Cotton prices witnessed firm tone on Saturday except slight weakness in Ahmedabad market.
- Good buying by the millers and the exporters added to the positive tone of the market.
- Likely decline in cotton acreage in the coming season supported prices.
- Cotton exports to neighbouring countries like Pakistan and Bangladesh will resume. This will support prices in near –term.
- 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 farmers. 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 prices may trade firm on good demand from the mills.

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

Contract	+/-	Open	High	Low	Close
Mar-12					
Apr-12	<b>-4.00</b>	842	845	833	835

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

Contract	+/-	Open	High	Low	Close
Mar-12	<b>-8.80</b>	807.90	807.90	795.00	796.90
Apr-12	<b>-4.40</b>	833.00	843.80	833.00	834.80

**Volumes and OI in Lots**

Contract	Volume	Change	OI	Change
Mar-12			6	-1
Apr-12	2144	-4893	7430	-81

**Volumes and OI lots**

Contract	Volume	Change	OI	Change
Mar-12	53	-112	391	11
Apr-12	216	-1572	915	-27

Spread	March-12	April-12
Basis	-35.00	
March-12		

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

Spread	March-12	April-12
Basis	-5.70	
March-12		-39.20

**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
<b>30-Mar-12</b>	0.05	18280	18280	18200	18260
30-Apr-12	-0.06	17810	17810	17680	17780
<b>31-May-12</b>	-0.29	17180	17340	17180	17280
<b>29-June-12</b>	-0.3	16840	16860	16720	16790

**Cotton Prices at Key Spot Markets**

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	24-3-2012	23-3-2012	
Kadi – Bt Cotton	3900-4300	3750-4200	<b>+100</b>
Amravati – Vunni Mech-1	3850	3800	<b>+50</b>
Ahmedabad – Shankar-6	3750-4250	3750-4325	<b>-75</b>
Abhor – J-34	3530	3525	<b>+5</b>
Muktsar – J-34	3540	3525	<b>+15</b>
Fajlika Punjab	3700-4225	3700-4150	<b>+75</b>
Khandwa M.P	-	-	-

**Cotton Arrivals in Key Centers**

Centre (1 bale = 170 Kg)	Arrivals		Change
	24-3-2012	23-3-2012	
Kadi –Bt Cotton (truck)	150	150	<b>Unch</b>
Amravati –Vunni Mech-1 (bales)	5000	4000	<b>+1000</b>
Ahmedabad – Shankar-6	35000	35000	<b>Unch</b>
Abohar (bales)	1300	1500	<b>-200</b>
Muktsar (bales)	800	400	<b>+400</b>
Fajlika Punjab (quintal)	1800	2000	<b>-200</b>
Khandwa M.P (Qtl)	-	-	-

**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 23/3/2012**

Cotlook Indices	Cents/Pound	Change
A-Index	99.10	<b>+1.05</b>

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

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

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

**USDA Cotton Spot Rates: As on 23/3/2012**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	85.13	88.13	31
North Delta	84.13	85.13	NIL
South Delta	84.13	85.13	NIL
East TX-OK	81.00	85.75	1178
West Texas	81.25	87.50	3772
Desert SW	81.88	87.88	NIL
SJ Valley	83.13	93.53	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 23/3/2012**

Contract	Open	High	Low	Close	Change
May-12	89.58	90.50	89.32	89.63	+0.05
Jul-12	90.27	91.07	89.98	90.27	+0.04
Oct-12	90.41	90.41	90.41	90.41	-0.06
Dec-12	88.28	89.60	88.28	88.71	-0.24
Mar-13	90.25	90.25	89.38	89.38	-0.42
May-13	89.96	90.13	89.49	89.49	-0.48

**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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