

Cotton Domestic Fundamentals:

- Cotton prices witnessed firm tone on Monday except slight weakness in Amravati market.
- All the key markets besides Amravati market reported lower arrivals as compare to previous day.
- Lower cotton area is likely to cover under crop season 2012/13 due to poor performance.
- Madhya Pradesh has contributed total figure in export around 11 lakh bales which is higher than previous year i.e. 12 lakh bales amid the total production estimate in between 16 to 20 lakh bales in this year. Around 60% of cotton has been exported to China, Bangladesh and Pakistan before imposing a ban on cotton export.
- 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 of Rs. 3300 in Andhra Pradesh where prices have declined to MSP. Running buying activity of CCI may prevent cotton prices from any major fall in the medium term.

Cotton International Fundamentals

- According to USDA latest report, world ending stocks in 2012 is expected to reach 62.3 million bales, higher than the last year's 60.77 million bales which is fundamentally a bearish factor for ICE Future prices.

Outlook: Domestic and International

We expect domestic cotton price to stay range bound to firm for short term.

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

Contract	+/-	Open	High	Low	Close
Mar-12	-	-	-	-	-
Apr-12	1.00	836.00	848.00	833.00	836.50

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

Contract	+/-	Open	High	Low	Close
Mar-12	-6.90	797.30	804.00	790.00	790.00
Apr-12	0.20	835.00	846.00	834.80	835.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-12	-	-	-	-
Apr-12	3081	937	7531	101

Volumes and OI lots

Contract	Volume	Change	OI	Change
Mar-12	53	-22	391	-26
Apr-12	216	-302	915	100

Spread	March-12	April-12
Basis	-	-74
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	-27.5	-
March-12	-	45

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	0.38	18250	18350	18200	18300
30-Apr-12	0.28	17720	17880	17720	17820
31-May-12	0.29	17280	17400	17210	17340
29-June-12	-0.06	16810	16850	16700	16770

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	26-3-2012	24-3-2012	
Kadi – Bt Cotton	3900-4450	3900-4300	+150
Amravati – Vunni Mech-1	3800-3825	3850	-25
Ahmedabad – Shankar-6	4000-4325	3750-4250	+75
Abhor – J-34	3550	3530	+20
Muktsar – J-34	3550	3540	+10
Fajlika Punjab	3700-4250	3700-4225	+25
Khandwa M.P	3400-4000	-	-

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	26-3-2012	24-3-2012	
Kadi –Bt Cotton (truck)	100	150	-50
Amravati –Vunni Mech-1 (bales)	7000	5000	+2000
Ahmedabad – Shankar-6	25000	35000	-10000
Abohar (bales)	1000	1300	-300
Muktsar (bales)	400	800	-400
Fajlika Punjab (quintal)	3000	1800	-1200
Khandwa M.P (Qtl)	3000	-	-

Cotton Association of India Spot Rates: As on 23/3/2012

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	30400
H-4/ MECH-1	28mm	3.5 - 4.9	25	32800
Shankar-6	29mm	3.5 - 4.9	26	34000
Bunny/ Brahma	31mm	3.5 - 4.9	27	33800
MCU-5/ Surabhi	33mm	3.3 - 4.5	28	N.Q.
DCH-32	35mm	2.8 - 3.6	31	44500

Cotlook Index: As on 23/3/2012

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

China Cotton Index: As on 26/3/2012

Index	RMB/Ton	Change
CCIndex(328)	19522	-16
CCIndex(527)	16925	-8
CCIndex(229)	20875	-11

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 24/3/2012 (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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