

Cotton Domestic Fundamentals:

- Mixed sentiments remained featured in the Cotton spot markets on Tuesday amid ups and downs in supply and demand.
- Arrivals in most of the markets are in mixed pace now a days. While, the pace of arrival in March increased by 9.4% from Feb month arrivals i.e. 26.71 million bales.
- On other hand, millers demand is dwindling as they are suffering from liquidity crunch as on date.
- 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.
- Besides, overseas demand is likely to rise once again during upcoming months which might be a chance to increase exports figure if Government will remove fresh cotton export ban as soon as possible.

Cotton International Fundamentals

- China has already bought total 11 million bales fibres in 2012 and further likely to continue build its reserve to 15-18 million bales this year. Chinese have 70% of fibres stock imported from India.

Outlook: Domestic and International

Cotton prices are likely to be volatile for short term due to uncertainty in the market. Any immediate rise might be a selling opportunity in spot market. However, market scenario could be changed if government will remove ban completely as overseas demand is likely to increase mainly from China.

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

Contract	+/-	Open	High	Low	Close
Mar-12	-3.00	770.00	770.00	763.00	763.00
Apr-12	-10.50	839.50	840.50	817.00	828

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

Contract	+/-	Open	High	Low	Close
Mar-12	-23.90	771.80	793.00	771.80	771.80
Apr-12	-10.50	840.00	840.00	818.00	826.80

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-12	4	-2	3	-6
Apr-12	5,142	-1550	7483	-1138

Volumes and OI lots

Contract	Volume	Change	OI	Change
Mar-12	134	-448	237	-463
Apr-12	1284	338	967	237

Spread	March-12	April-12
Basis	102	
March-12		37

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

Spread	March-12	April-12
Basis	93.2	
March-12		38.20

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
30-Mar-12	-1.07	16800	16800	16500	16600
30-Apr-12	-0.69	17320	17400	17180	17210
31-May-12	-1.07	17860	17870	17640	17640
29-June-12	-0.82	18300	18350	18050	18120

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	27-3-2012	26-3-2012	
Kadi – Bt Cotton	3900-4350	3900-4450	-100
Amravati – Vunni Mech-1	3850	3800-3825	+25
Ahmedabad – Shankar-6	4200-4325	4000-4325	Unch
Abhor – J-34	3540-3545	3550	-5
Muktsar – J-34	3550-3555	3550	+5
Fajlika Punjab	3700-4215	3700-4250	-35
Khandwa M.P	3400-4000	3400-4000	Unch

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	27-3-2012	26-3-2012	
Kadi –Bt Cotton (truck)	150	100	+50
Amravati –Vunni Mech-1 (bales)	5000	7000	-2000
Ahmedabad – Shankar-6	25000	25000	Unch
Abohar (bales)	1100	1000	+100
Muktsar (bales)	550	400	+150
Fajlika Punjab (quintal)	2600	3000	-400
Khandwa M.P (Qtl)	3300	3000	+300

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 26/3/2012

Cotlook Indices	Cents/Pound	Change
A-Index	99.10	Unch

China Cotton Index: As on 27/3/2012

Index	RMB/Ton	Change
CCIndex(328)	19517	-5
CCIndex(527)	16923	-2
CCIndex(229)	20870	-5

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

USDA Cotton Spot Rates: As on 26/3/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	86.41	89.41	40
North Delta	85.41	86.41	NIL
South Delta	85.41	86.41	NIL
East TX-OK	82.25	87.00	545
West Texas	82.50	88.75	1982
Desert SW	83.16	89.16	NIL
SJ Valley	84.41	94.81	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 26/3/2012

Contract	Open	High	Low	Close	Change
May-12	89.65	91.01	89.36	90.91	+1.28
Jul-12	90.26	91.25	90.06	91.03	+0.76
Oct-12	91.13	91.13	91.13	91.13	+0.72
Dec-12	88.70	89.49	88.68	89.41	+0.70
Mar-13	90.08	90.08	90.08	90.08	+0.70
May-13	90.15	90.15	90.15	90.15	+0.66

Pakistan Cotton Spot rates: As on 26/3/2012 (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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