

Cotton Domestic Fundamentals:

- The Cotton spot markets ended on higher side supported by revival demand of textile millers on Friday.
- Ups and downs in arrivals witnessed in the markets. Ahmadabad and Khandawa market is closed on financial year end.
- However, exporters are inactive in the market on current export status. A review meeting with group of ministers over partial ban will be held next week which may weigh on market.
- Cotton prices is down to Rs. 33000/candy in March even from two consecutive month Jan'12 and Feb'12 when cotton prices stood at Rs. 39000/candy and 35000/candy respectively.

Cotton International Fundamentals

- The National Cotton Council has estimated US 2012 down by 7.4 % to 13.63 million acres as compare to cotton planting of 2011 as producers are likely to switch towards other crops like soybean due to higher prices.
- Pakistan cotton production estimate stood at 14.7 million bales against lower consumption 12.5-13 million bales. Meanwhile, Prices did not support to producers due to which they faced total loss of PK Rs. 200 billion in the current season.

Outlook: Domestic and International

We expect domestic cotton price to be volatile due to uncertainty in the market.

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

Contract	+/-	Open	High	Low	Close
Mar-12	23.00	786.50	786.50	786.50	786.50
Apr-12	10.50	841.00	868.00	834.50	853.50

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

Contract	+/-	Open	High	Low	Close
Mar-12	-2.10	755.10	779.00	755.10	771.00
Apr-12	14.30	825.00	840.10	813.00	831.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-12	1	-1	2	0
Apr-12	9025	1269	6211	-149

Volumes and OI lots

Contract	Volume	Change	OI	Change
Mar-12	82	34	51	-82
Apr-12	2622	935	2646	574

Spread	March-12	April-12
Basis	-13.50	
March-12		67.00

NB: Spread was done by taking avg spot prices at Kadi market. Basis = Spot- March

Spread	March-12	April-12
Basis	69.00	
March-12		60.50

NB: Spread was done by taking avg spot prices at Kadi market. Basis = Spot - March

MCX Cotton Futures (29 mm Variety): Prices in Bales

Contract	% Change	Open	High	Low	Close
30-Mar-12	0.49	18470	18790	18470	18590
30-Apr-12	0.39	17900	18230	17900	18030
31-May-12	0.06	17360	17720	17360	17520
29-June-12	2.57	16850	17540	16850	17540

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	30-3-2012	29-3-2012	
Kadi – Bt Cotton	4000-4400	3900-4100	+300
Amravati – Vunni Mech-1	3800	3775-3800	Unch
Ahmedabad – Shankar-6	-	4000-4325	-
Abhor – J-34	3720	3600	+120
Muktsar – J-34	3720	3615	+105
Fajlika Punjab	3750-4250	3700-4172	+78
Khandwa M.P	-	3400-4000	-

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	30-3-2012	29-3-2012	
Kadi –Bt Cotton (truck)	125	125	Unch
Amravati –Vunni Mech-1 (bales)	5000	4500	+500
Ahmedabad – Shankar-6	-	15000	-
Abohar (bales)	1100	1000	+100
Muktsar (bales)	300	300	Unch
Fajlika Punjab (quintal)	3200	3600	-400
Khandwa M.P (Qtl)	-	1800	-

Cotton Association of India Spot Rates:

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (29/3/2012)	Rs. Per Candy (28/3/2012)	Change
Bengal Deshi (RG)/ Assam Comilla	Below 22mm	5.0 - 7.0	15	34300	34100	+200
Bengal Deshi (SG)	Below 22mm	5.0 - 7.0	15	34900	34900	Unch
J-34	25mm	3.5 - 4.9	23	31300	30800	+500
H-4/ MECH-1	28mm	3.5 - 4.9	25	33300	33000	+300
Shankar-6	29mm	3.5 - 4.9	26	34500	34300	+100
Bunny/ Brahma	31mm	3.5 - 4.9	27	34200	34000	+200
MCU-5/ Surabhi	33mm	3.3 - 4.5	28	N.Q.	N.Q.	-
DCH-32	35mm	2.8 - 3.6	31	45000	44500	+500

Cotlook Index: As on 29/3/2012

Cotlook Indices	Cents/Pound	Change
A-Index	103.60	+1.40

China Cotton Index: As on 30/3/2012

Index	RMB/Ton	Change
CCIndex(328)	19479	-16
CCIndex(527)	16902	-10
CCIndex(229)	20832	-11

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

USDA Cotton Spot Rates: As on 29/3/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	89.04	92.04	2343
North Delta	88.04	89.04	NIL
South Delta	88.04	89.04	NIL
East TX-OK	84.25	89.00	396
West Texas	84.50	90.75	14656
Desert SW	85.79	92.29	400
SJ Valley	87.04	97.44	500

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 29/3/2012

Contract	Open	High	Low	Close	Change
May-12	94.00	94.39	93.07	93.54	-0.49
Jul-12	93.63	94.19	93.28	93.73	-0.20
Oct-12	92.30	92.68	92.30	92.68	-0.20
Dec-12	90.05	90.79	89.99	90.72	+0.03
Mar-13	91.37	91.40	90.83	91.40	+0.05
May-13	91.05	91.25	91.05	91.25	+0.06

Pakistan Cotton Spot rates: As on 29/3/2012 (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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