

COTTON DAILY REPORT    INDIANCOMMODITIES.COM  
28/02/2012

**Price Indicators :**

NYBOT (Cotton No. 2 Futures  
Contract )

Settlement As On: 27-2-2012 Units:

2012Mar: 90.4 (0.55)

2012May: 90.67 (0.52)

2012July: 91.68 (0.33)

Cotlook (Index)

Settlement As On: 27-2-2012

Units:

2012 A: 98.95 (0.8)

(Cn Cotton)

Settlement As On: 28-2-2012

Units:

2012Feb: 20842 -

2012Feb: 19661 -

**Exchange Rates (RATE UPDATED: 27-2-2012)**

**Currency, Rate**

1 US \$ = Rs. 49.04

**Currency, Rate**

1 UK £ = Rs. 77.77

**Currency, Rate**

1 Euro = Rs. 65.89

**Currency, Rate**

100 YEN = Rs. 60.54

**Weather:**

Rain/snowfall would occur at a few places over Jammu & Kashmir during next 24 hours and at one or two places thereafter. Rain/snowfall would also occur at one or two places over Himachal Pradesh and Uttarakhand during next 48 hours.

Rain/thundershowers would occur at one or two places over Arunachal Pradesh, Assam & Meghalaya during next 48 hours and increase thereafter.

Rain/thundershowers would also occur at a few places over Nagaland, Manipur, Mizoram & Tripura from 29th onwards.

Rain/thundershowers would occur at one or two places over Lakshadweep and Andaman & Nicobar Islands.

No significant change in minimum temperatures over northwest, central and east India during next 23 days.

Weather would be mainly dry over remaining parts of the country.

**Buyer & Seller:**

North: North: Cotton market open on weak note and during the day price drop by about 20/- to 50/- per maund. Demand has been slow from mills also who were not keen on purchases at current level. Moderate buying has been noticed from the mills and spinners at lower levels. Main buyers: JPT, Vardhaman, Nahar, VPL, Eastern, DP, Tayal, LD, DCM, Rajshree, Rathi, Sadhu Ram Sat Pal, Satia, KCT etc.

## Punjab line

|            | RG      | SG      |
|------------|---------|---------|
| Ready Dely | 3420/55 | 3350/90 |

## Haryana line

|  | RG | SG |
|--|----|----|
|  |    |    |

|               |         |         |
|---------------|---------|---------|
| Ready<br>Dely | 3370/85 | 3330/50 |
|---------------|---------|---------|

Hanumangarh line

|               |         |    |
|---------------|---------|----|
|               | RG      | SG |
| Ready<br>Dely | 3350/61 | -  |

Rawatsar line

|               |           |    |
|---------------|-----------|----|
|               | RG        | SG |
| Ready<br>Dely | 3340/3350 | -  |

Ganganagar line

|               |         |           |
|---------------|---------|-----------|
|               | RG      | SG        |
| Ready<br>Dely | 3200/15 | 3080/3120 |

Bargains :-

| Bales | Station     | Quality | Rates   | Delivery   |
|-------|-------------|---------|---------|------------|
| 810   | Sirsa       | J34-RG  | 3375/85 | Ready Dely |
| 450   | Hanumangarh | J34-RG  | 3361/80 | Ready Dely |
| 540   | Adampur     | J34-RG  | 3380/90 | Ready Dely |
| 180   | Bhattu      | J34-RG  | 3395    | Ready Dely |
| 165   | Muktsar     | J34-RG  | 3440/78 | Ready Dely |
| 110   | Bhucho      | J34-RG  | 3480    | Ready Dely |

Gujarat: Gujarat market undertone easy, still most of the buyers adopted wait & watch policy due to downtrend, few buyers like Bhadresh, Jalaram Cotton and Local ginners (Exporters) purchased in range of Rs. 34200 to 34300/- levels, K.P. mill passing traded in range of Rs. 34500/- levels and average quality quoted Rs. 33800 to 34000/- levels, little lower arrivals reported in Gujarat marketing yards due to lower kapas rates. V-797 Rates: 25000 Old Crop, 26500 New Crop, Near About 40000 bales arrivals in Gujarat.

Maharashtra & Madhya Pradesh: Cotton market opens around previous levels closing & demand continues to be slow from the mills and spinners who are not much active in the market at current levels. Exporters and mills buying has slowed down and most of the buyers expect the prices to move lower before making purchases.

Andhra Pradesh/Karnataka: Cotton market ruled very quite on lack of trading. Both buyers and sellers were waiting for clear direction about

movement of cotton prices. Trading was reported to be thin as buyers were hesitant to make purchases at current levels.

CCI rates as on 27/2/2012: H-4 34200/35000, BB34600/35800, J-34 33400/34700.

### Mandi Arrivals :

From: 27-2-2012

To: 27-2-2012

|                        | Quantity | Units |
|------------------------|----------|-------|
| Maharashtra            |          |       |
| Maharashtra            | 30000    | bls   |
| Gujarat                |          |       |
| Gujarat                | 40000    | bls   |
| Madhya Pradesh         |          |       |
| Madhya Pradesh         | 8000     | bls   |
| Andhra Pradesh         |          |       |
| Andhra Pradesh         | 30000    | bls   |
| Karnataka              |          |       |
| Karnataka              | 12000    | bls   |
| Northern India (P/R/H) |          |       |
| Northern India         | 25300    | bls   |

### SPOT PRICES:

Raw Cotton >> Bengal Deshi : 28-2-2012 4:47:01 AM

| Origin    | DESI RG      | DESI SG      |
|-----------|--------------|--------------|
| Haryana   | 0 / bls -    | 0 / bls -    |
| Rajasthan | 3450 / bls - | 3550 / bls - |

Raw Cotton >> Gujarat : 28-2-2012 4:47:01 AM

| Origin  | S-6 29mm           | S-6 28mm           | S-6 Lower      | V797 Kadi          |
|---------|--------------------|--------------------|----------------|--------------------|
| Gujarat | 34400 / Rs/candy - | 34000 / Rs/candy - | 0 / Rs/candy - | 25000 / Rs/candy - |

Raw Cotton >> Haryana : 28-2-2012 4:47:01 AM

| Origin    | J34 CS SG      |
|-----------|----------------|
| Sirsa     | 3480 / Rs/md - |
| Fatehabad | 3480 / Rs/md - |
| Ellenabad | 3480 / Rs/md - |
| Narwana   | 3480 / Rs/md - |

Raw Cotton >> Rajasthan : 28-2-2012 4:47:01 AM

**Origin**      **J34 GA SG**  
**H.Garg**      0 / Rs/md -  
**Rawatsar**    0 / Rs/md -

Raw Cotton >> Madhya Pradesh : 28-2-2012 4:47:01 AM

**Origin**      **H4 27mm RG**      **H4 28mm RG**      **MECH 29mm**  
**Madhya**      0 / Rs/Candy -      0 / Rs/Candy -      33000 / Rs/Candy -  
**Pradesh**

Raw Cotton >> Karnataka : 28-2-2012 4:47:01 AM

**Origin**      **Jayadhar RG**      **DCH-32 34.5mm**      **Brahma 29mm**      **Brahma 28mm**  
**Karnataka**    0 / Rs/candy -      44000 / Rs/candy -      32500 / Rs/candy -      0 / Rs/candy -

Raw Cotton >> Andhra Pradesh : 28-2-2012 4:47:01 AM

**Origin**      **MCU-5 30 mm**      **MCU-5 31mm**  
**Andhra**      33000 / Rs/candy -      33500 / Rs/candy -  
**Pradesh**

Raw Cotton >> Punjab : 28-2-2012 4:47:01 AM

**Origin**      **J34 CS SG**  
**Mansa**      3450 / Rs/md -  
**Budhlada**    3450 / Rs/md -  
**Muktsar**      3450 / Rs/md -  
**Abhor**      3450 / Rs/md -

Raw Cotton >> Maharashtra : 28-2-2012 4:47:01 AM

**Origin**      **28mm**      **29mm**      **31mm**  
**Maharashtra** 0 / Per Candy -      32800 / Per Candy -      0 / Per Candy -

### FUTURE ACTIVITY:

NYBOT Cotton No. 2 Futures Contract Settlement As On: 27-2-2012 Units:

| Contract  | Open          | High | Low | Close         | Settle | Change | Volume | Open Interest |
|-----------|---------------|------|-----|---------------|--------|--------|--------|---------------|
| 2012Mar:  | 0 Bid:0 Ask:0 | 0    | 0   | 0 Bid:0 Ask:0 | 90.4   | (0.55) | 0      | 0             |
| 2012May:  | 0 Bid:0 Ask:0 | 0    | 0   | 0 Bid:0 Ask:0 | 90.67  | (0.52) | 0      | 0             |
| 2012July: | 0 Bid:0 Ask:0 | 0    | 0   | 0 Bid:0 Ask:0 | 91.68  | (0.33) | 0      | 0             |
| 2012Oct:  | 0 Bid:0 Ask:0 | 0    | 0   | 0 Bid:0 Ask:0 | 92.22  | (0.46) | 0      | 0             |
| 2012Dec:  | 0 Bid:0 Ask:0 | 0    | 0   | 0 Bid:0 Ask:0 | 90.67  | (0.29) | 0      | 0             |
| 2013Mar:  | 0 Bid:0 Ask:0 | 0    | 0   | 0 Bid:0 Ask:0 | 91.88  | (0.25) | 0      | 0             |
| 2013May:  | 0 Bid:0 Ask:0 | 0    | 0   | 0 Bid:0 Ask:0 | 91.72  | (0.04) | 0      | 0             |
| 2013July: | 0 Bid:0 Ask:0 | 0    | 0   | 0 Bid:0 Ask:0 | 91.87  | (0.14) | 0      | 0             |
| 2013Oct:  | 0 Bid:0 Ask:0 | 0    | 0   | 0 Bid:0 Ask:0 | 90.2   | (0.14) | 0      | 0             |

Cotlook Index Settlement As On: 27-2-2012 Units:

| Contract | Open          | High | Low | Close         | Settle | Change | Volume | Open Interest |
|----------|---------------|------|-----|---------------|--------|--------|--------|---------------|
| 2012Feb: | 0 Bid:0 Ask:0 | 0    | 0   | 0 Bid:0 Ask:0 | 98.95  | (0.8)  | 0      | 0             |

Cn Cotton Settlement As On: 28-2-2012 Units:

| Contract | Open          | High | Low | Close         | Settle | Change | Volume | Open Interest |
|----------|---------------|------|-----|---------------|--------|--------|--------|---------------|
| 2012Feb: | 0 Bid:0 Ask:0 | 0    | 0   | 0 Bid:0 Ask:0 | 20842  | -      | 0      | 0             |
| 2012Feb: | 0 Bid:0 Ask:0 | 0    | 0   | 0 Bid:0 Ask:0 | 19661  | -      | 0      | 0             |

### International Developments:

**NEW YORK:** Cotton futures ended with small gains Monday as steady mill buying supported contracts and the pace of purchases should continue to keep the market supported, analysts said. Benchmark May cotton on ICE Futures U.S. gained 0.52 cents to finish at 90.67 cents per lb, trading from 89.74 to 91.34 cents. The market was well supported above last week's low near 89 cents.

Spot March cotton went up 0.55 cent to settle at 90.40 cents per lb. The March contract will expire on March 8. Volume traded Monday stood near 13,000 lots, preliminary Thomson Reuters data showed. Mike Stevens, an independent analyst in Louisiana, said cotton values have declined "to a level where business is going on" and this seems enough to keep values from falling out of bed.

The market took note of news that cotton speculators reduced for the third week running the net long position by 1,005 lots in the market to 2,170 contracts. The market will be looking toward the release on Thursday of the weekly export sales report to gauge if fiber demand will remain robust.

Last week, the U.S. Agriculture Department showed weekly cotton export sales of 185,200 running bales (RBs, 500-lbs each). Cotton export shipments were robust at 326,200 RBs, which exceeds the average amount needed to meet USDA's current projections for the 2011/12 crop year. Open interest in cotton, an indicator of investor exposure, rose slightly to 171,093 lots as of Feb. 24, from the previous session's 170,057 lots as of Feb. 23, ICE Futures U.S. data showed.

**In Pakistan:** Spot rate and prices in ready dealings fell on the cotton market on Monday in process of slow trading, dealers said. **The official spot rate was curtailed by Rs 100 to Rs 5,400, they said.** Seedcotton prices in Sindh were at Rs 1800-2300 and in the Punjab at Rs 2200-2650, they said. In ready dealings approximately 2000 bales of cotton changed hands at Rs 3800-5675, they added.

Business activity was down as mills and spinners remained on the sidelines due to sluggish demand by foreign and local buyers, Naseem Usman said. He also said traders of cotton and readymade garments were also worried about the fall in daily intake, as a result of decline, they are facing financial problems. Unsold stock, on the other hand, is causing great concern, they said.

Cotton businessmen, in India, Bangladesh and China were also facing the same problems, other experts said. World leading economies are still in woods, the experts are trying hard to bring normalcy in the fundamentals but most of them feel that it will take time, they added. Basic indicator is trend in the NY cotton futures, which is out of track during the last several sessions due to heavy losses, they said.

The following deals were reported: 400 bales of cotton from Mir Pur Khas sold at Rs 3800, 200 bales of cotton from Dahran Wala at Rs 5000, 400 bales of cotton from Haroonabad at Rs 5000, 400 bales of cotton from Dunia Pur at Rs 5250, 200 bales of cotton from Head Rajkan at Rs 5275 and 400 bales from Mian Wali at Rs 5675.

|   |
|---|
| <p><b>KCA spot rates FOR BASE GRADE 3 STAPLE LENGTH</b><br/> <b>1-1/32" a</b></p> |
|---|

| <b>Rate for</b>  | <b>EX-GIN PRICES</b>   |
|------------------|------------------------|
| <b>37.32 Kgs</b> | <b>5,400.00 (-100)</b> |
| <b>40 Kgs</b>    | <b>5,787.00 (-100)</b> |

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Indiancommodities.com Cotton Noon Update 27-02-2012

International : Cotton trading remains moderate, spot rate cut by Rs. 100/- prices in ready move in close range.

Europe worried over spread of Bt cotton in India

India has made rapid strides in cotton production ever since adopting the genetically modified technology 10 years ago. It has also helped the country emerge as a key supplier of the natural fibre to the global market, especially China.

However, the large-scale adoption of genetically modified technology is causing concern to other nations, especially in Europe. This, in turn, could begin to hurt exports of other agricultural products exports, especially ones that are organic and non-genetically modified.

According to available statistics, India exported about 300 organic products fetching Rs 1,960 crore in 2011. In contrast, it shipped out 66 lakh bales (170 kg each) of cotton earning over Rs 15,500 crore. This year, it is projected to export 80 lakh bales and it could end up earning foreign exchange of about Rs 14,000 crore. Of the nearly 12 million hectares brought under cotton this year, nearly 95 per cent grew Bt cotton.

The Agricultural and Processed Food Products Export Development Authority (Apeda) has fixed a target of touching Rs 5,000 crore in organic products exports by 2015.

We in Europe, particularly Germany, are worried over the spread of genetically modified organisms (GMOs) in India. Your Government has to deal with that immediately, said Mr Ulrich Walter of Ulrich Walter GmbH, Germany. Mr Walter's company is one of the largest importers of organic Darjeeling tea. It is also importing coffee and spices from Kerala, mainly Peeramedu, and holy basil (tulsi) from Uttar Pradesh.

He made these remarks at a session on tea at BioFach 2012 that was held here last week.cannot coexist'

Europeans want to consume products with a clear conscience. Therefore, there is increasing awareness on organic and fair-price products, said Mr Walter.

He told Business Line later that genetically modified and conventionally produced crops cannot coexist. They may be kept at a distance but still there could be pollution of conventional and organic crop through wind and pollen, he said, adding that people in Germany were particularly concerned over the strides made by India in Bt cotton.

According to Apeda, 4.84 million hectares are under organic farming in India and 75 per cent of this is grown in the wild. Again, only 16 per cent of organic products produced in the country is exported.

Among products treated as non-GMOs, soyameal accounts for a major share in exports. Indian organic products are primarily exported by Europe, the US, Canada and Japan. In Europe, Germany and Switzerland are the main buyers.

Mr Gerald A. Herrmann of Organic Services Germany GmbH said that organic products' exports from India were increasing by 33 per cent every year and most products were being marketed as being free from pesticides.

However, at the recent World Spice Congress at Pune in India one of the speakers pointed out that India topped in cases of pesticide residues being higher than permitted limits, he said.

Mr Herman Lanting, an agronomist, said that it was increasingly becoming difficult to find non-Bt cotton in India.

India has begun to lose some great traditional varieties such as DCH-32, he said.

According to Ms Simone Seisl of Remei AG, Switzerland, her firm that sources organic cotton for retailing is finding it difficult as farmers were switching over to Bt varieties. Though some want to get back, it is a big task to get them going again, particularly due to the switch over, she said.

However, Mr Mukesh Gupta of Morarka Organics Foods said that Bt cotton is not posing danger since it was grown in irrigated areas. Organic products are mainly grown in rain-fed areas and there need not be any fear of GMOs getting mixed, he told an interactive session at BioFach.

Every buyer, particularly in Europe, wants a face to any product that he or she buys. They are just not satisfied with buying organic products. What more is their question. In these circumstances, GMOs and mere non-GMO products could put Indian exports under pressure, said a global consultant who did not wish to be identified.

Indian Market: Cotton price continued there downward trend on lack of buying and buyers are expecting further drop in cotton prices and hence not keen on making purchases at lower prices. North mkt down by Rs.20 to 25/- per md from morning quotations.

Weather : clear

Arrivals, Kapas and Seed Rate :-

| STATE          | ARRIVALS (BLS) | KAPAS PER QUINTAL | SEED         |
|----------------|----------------|-------------------|--------------|
| North          | 25300          | 3950/4100         | 1650/1680    |
| Gujarat        | 40000          | 830/850(20 kg)    | 310/315 20Kg |
| Maharashtra    | 30000          | 3400/3950         | 1350/1550    |
| Madhya Pradesh | 8000           | 3500/4000         | 1375/1525    |
| Andhra Pradesh | 30000          | 3650/3900         | 1300/1400    |
| Karnataka      | 12000          | 3400/3600         | 1250/1320    |
| TOTAL          | 145300 bls     |                   |              |

Today Expected Arrivals:-

| Punjab line | Haryana line | Ganga line | Deshi line | Total       |
|-------------|--------------|------------|------------|-------------|
| 9000        | 12000        | 4000       | 300        | 25300 Bales |

New Crop:- Punjab line

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|            |         |         |
|------------|---------|---------|
|            | RG      | SG      |
| Ready Dely | 3425/75 | 3400/50 |

New Crop:-Haryana line

|            |         |         |
|------------|---------|---------|
|            | RG      | SG      |
| Ready Dely | 3375/90 | 3350/70 |

New Crop:- Hanumangarh line

|            |         |    |
|------------|---------|----|
|            | RG      | SG |
| Ready Dely | 3375/85 | -  |

New Crop:- Rawatsar line

|            |           |    |
|------------|-----------|----|
|            | RG        | SG |
| Ready Dely | 3360/3370 | -  |

New Crop:- Ganganagar line

|            |         |         |
|------------|---------|---------|
|            | RG      | SG      |
| Ready Dely | 3210/30 | 3100/50 |

Current Crop Quotations :-

|              |            |
|--------------|------------|
| Quality J-34 | Deshi Gang |
| RG           | 3400/50    |
| SG           | 3550       |

Gujarat:

|                 | Rate** (Ready)                    | Estimated Length HVI |
|-----------------|-----------------------------------|----------------------|
| S-6             | 34300/400(Super Grade)            | 29mm (Mic 3.8)       |
| S-6             | 33800/34000(Average grade)        |                      |
| Cotton Wash Oil | 597/600                           |                      |
| Cotton Cake     | 595/600                           |                      |
| V-797           | 25000(old crop) & 26500(New crop) |                      |

Maharashtra :

|      | Rate** (Ready) | Estimated Length HVI |
|------|----------------|----------------------|
| MECH | 32800/33000    | 29mm(Mic3.6-3.8)     |
| MECH | 32800/800      | 29mm(Mic3.5)         |

MADHYA PRADESH :

|        | Rate** (Ready) | Estimated Length HVI |
|--------|----------------|----------------------|
| MECH-1 | 33500/700      | 29mm(Mic 3.6-3.8)    |
| MECH-1 | 30500/32000    | 29mm(Mic 3.2 - 3.5)  |
| DCH-32 | 43000/46000    | 33-35mm              |

Andhra Pradesh :

|                 | Rate** (Ready) | Estimated Length HVI |
|-----------------|----------------|----------------------|
| MCU-5(Adilabad) | 32500/700      | 28-29mm(Mic3.6)      |
| MCU-5(Warangal) | 33000/500      | 30-31mm              |
| MCU-5(Guntur)   | 33500/34000    | 30-31.5mm            |

Karnataka :

|            | Rate** (Ready) | Estimated Length HVI    |
|------------|----------------|-------------------------|
| Raichur BB | 33500/34000    | 30mm(Mic3.6+)           |
| Adoni BB   | 32000/500      | 28/29mm(Mic 3.3 to 3.5) |
| Bellary    | 33500/34000    | 30mm+                   |
| DCH        | 42000/44000    | 34mm                    |

Satta, updates :-

TIME 10.30 AM

TIME 12.30 PM



|                                   |              |              |
|-----------------------------------|--------------|--------------|
| Surendranagar Satta (V-797 Kapas) | 784.50       | 776.00       |
| Dollar                            | 48.98/49.00  | 49.05/06     |
| BSE                               | 17769 (-153) | 17605 (-317) |
| Indore Oil (Mar)                  | 716.50       | 717.50       |