

Cotton Domestic Fundamentals:

- Cotton markets noticed steady to weak tone on Tuesday.
- Arrivals increased in various mandis.
- Demand remains normal in the market around current levels.
- Some demand was witnessed from ginners in North India.
- Buyers are waiting for better buying levels in the medium –term.
- Lower demand from the textile industries will weigh on prices in the coming days.
- Good quality cotton arrival is quoted at higher price. However there is not much demand around this level.
- Prices of kapas are likely to remain Rs 850 to 950 per 20 kg for Nov-2012 & Jan-2013.
- Cotton exports stood at 4.5 lakh bales as of November 5, 2012 and Exports for 2011-12 cotton season at 129 million bales.

Cotton International Fundamentals

- Cotton futures at NYMEX closed higher amid short –covering.
- Prices in Pakistan firmed up following lower arrivals in the country. Expected good demand for cotton yarn from China will support prices.
- According to ICAC, in the current 2012-13 marketing year, cotton production is expected to be around 26.1 million tons, while consumption is forecast to rise 3% to 23.5 million tons over the same period.
- The forecast for output of 4 million bales of cotton in the 2012-13 marketing year, which started in August, is down a further 6% according to sources in Australia.
- Bangladesh has requested India to ensure export of 1.5 million bales of cotton.

Outlook: We expect domestic cotton prices to continue steady to weak tone amid lack –luster demand in the ready market.

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

Contract	+/-	Open	High	Low	Close
Feb-13	-5	933.00	944.50	933.00	944.50
Apr-13	-5	967.5	968.5	960	964

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	2	-2	38	1
Apr-13	3845	-702	13692	74

Spread Feb-13 Apr-13

Basis	-60	
Feb-13		34
April-13		

NB: Spread was done by taking avg spot prices at Ahmedabad – Shankar-6 market. Basis = Spot- April

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

Contract	+/-	Open	High	Low	Close
Feb-13	-3.8	962.2	963	957	959.7
Apr-13	-4.4	971	974	967	970

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	255	114	702	35
Apr-13	288	-27	641	35

Spread Feb-13 Apr-13

Basis	-89.7	
Feb-13		10.3
April-13		

NB: Spread was done by taking avg spot prices at Ahmedabad – Shankar-6 market. Basis = Spot- April

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

Contract	% Change	Open	High	Low	Close
31-Dec-12	-0.43	16250	16280	16190	16240
31-Jan-13	-0.43	16370	16380	16310	16350
28-Feb-13	-0.54	16480	16500	16450	16470
29-Mar-13	-0.6	16650	16650	16610	16610

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	04-12-2012	03-12-2012	
Amravati-Vunni Mech-1#	4050	4075	-25
Kadi-Bt Cotton#	4250	4350	-100
Ahmedabad-Shankar-6#	4350	4375	-25
Gondal	4305	4385	-80
Rajkot-(B.T)	4365	4375	-10
Abohar-J-34*	3480	3520	-40
Muktsar-J-34 *(Cotton) #(Kapas BT Cotton)	3490	3515	-25
	4175	4200	-25
Fajlika #(Cotton New) #(Kapas BT Cotton)	-	-	-
	-	-	-
Khandwa-(M.P)	4125	4150	-25
Khargaon-(M.P)	4125	4150	-25
Sri-Ganganagar	3425	3440	-15

*-Rs/maund, #-Rs.qtl,

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	04-12-2012	03-12-2012	
Amravati -Vunni Mech-1#	4000	2000	+2000
Kadi -Bt Cotton	50000	35000	+15000
Ahmedabad - Shankar-6#	35000	35000	Unch
Gondal	2196	1266	+930
Rajkot-(B.T)	1675	1625	+50
Abohar-J-34*	1000	1000	Unch
Muktsar-J-34 *(Cotton) #(Kapas BT Cotton)	-	-	-
	500	450	+50
Fajlika #(Cotton New) #(Kapas BT Cotton)	-	-	-
	-	-	-
Khandwa (M.P)	4000	4000	Unch



Khargaon-(M.P)	9000	12000	-3000
Sri-Ganganagar	5000	6000	-1000

Khandwa, Kadi, Fajlika-1 Truck-100 Qtls, Amravati-1 Truck-100 kgs, Ahmadabad, Abohar and Muktsar-Bales

Cotton Association of India Spot Rates: 03/12/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (03/12/2012)	Rs. Per Candy (30/11/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	37700	38000	-300
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	38200	38500	-300
J-34(202)	26mm	3.5 - 4.9	23	32100	32100	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33000	33000	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	33600	33700	-100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34200	34500	-300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35000	35000	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	45200	45200	Unch

Cotlook Index: As on 03/12/2012

Cotlook Indices	Cents/Pound	Change
A-Index	82.75	+0.55

China Cotton Index: As on 04/12/2012

Index	RMB/Ton	Change
CCIndex(328)	18946	+16
CCIndex(527)	16662	+15
CCIndex(229)	19817	+14

USDA Cotton Spot Rates: As on 03/12/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	71.98	75.48	7732
North Delta	70.98	72.48	NIL
South Delta	70.98	72.48	NIL
East TX-OK	68	72.5	4995
West Texas	68	73.25	34666
Desert SW	68.48	74.98	NIL
SJ Valley	69.48	80.13	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 03/12/2012

Contract	Open	High	Low	Close	Change
Dec-12	73.09	73.3	72.9	72.93	0.28
Mar-12	73.91	74.41	73.53	73.98	0.07
May-12	74.6	75	74.35	74.74	0.23
Jul-12	74.93	75.55	74.92	75.18	0.26
Oct-12	77.56	77.56	76.67	76.67	0.18
Dec-12	76.96	77.45	76.85	77.19	0.12

Pakistan Cotton Spot rates: As on 03/12/2012 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5900	155	6055
Equivalent	40 Kgs	6323	155	6478

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