

Cotton Domestic Fundamentals:

- Cotton markets noticed week tone on Tuesday except Ahmadabad and Muktasar.
- Andhra Pradesh CM directed CCI to procure cotton from state farmers after cyclone hit the state providing support to the prices.
- Expected higher export demand from Bangladesh mills which are ramping up production to meet expected demand from US and Europe on New Year and Christmas are keeping sentiments positive in the Gujarat, Rajkot market. Farmers are also holding the crop in expectation of higher prices.
- Cotton yarn is expected to touch 992 million kg by March next year on higher demand from China. In October cotton registration fell by 98 percent while yarn export grew by 100 percent to 9.4 million kg. Yarn exports have increased by 20 percent this fiscal. Falling rupee also make exports attractive.
- 5.15 million Bales have arrived in the market across India. Of which, 1.3 million bales of cotton have arrived in North Indian markets, another 1.15 million bales have arrived in Gujarat by November-end. Crop arrivals are also good in Andhra Pradesh and Maharashtra where 1.05 million and 0.85 million bales of cotton arrivals, respectively, have been registered.
- Arrivals this season is 15-16 percent less than previous season.
- 90 lakh bales of cotton production in Gujarat are expected.

Cotton International Fundamentals

- Cotton Futures at NYMEX closed higher amid expectation of good export sales expected in the monthly supply and demand USDA report.
- China cotton production estimates have raised estimates to 6.9 million tonnes for current year 2011-12.
- According to the International Cotton Advisory Committee, cotton production is set to fall by 11% to 23.2m tons in 2013/14.
- The Cotton Assessment Committee has estimated cotton production at 13.3 million bales in Pakistan for 2012 -13.

Outlook: We expect domestic cotton prices to continue steady to firm tone amid good demand from the exporters.

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

Contract	+/-	Open	High	Low	Close
Feb-13	6	953.50	964.50	953.50	964.50
Apr-13	-1.5	989	993	984	986.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	2	2	36	0
Apr-13	4452	-1554	14370	-6

Spread

	Feb-13	Apr-13
Basis		
Feb-13		56.5
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	974.5	978.1	970.5	972
Apr-13	0.3	982	989	982	985.1

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	178	-80	577	-2
Apr-13	477	-371	682	-3

Spread

	Feb-13	Apr-13
Basis	-92	
Feb-13		13.1
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	0.18	16380	16440	16370	16380
31-Jan-13	0.06	16520	16580	16520	16520
28-Feb-13	0.12	16650	16720	16650	16670
29-Mar-13	0	16840	16910	16830	16840
30-Apr-13	0.12	17100	17120	17040	17090

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	11-12-2012	10-12-2012	
Amravati-Vunni Mech-1#	4050	4075	-25
Kadi-Bt Cotton#	4325	4350	Unch
Ahmedabad-Shankar-6#	4400	4375	+25
Gondal	4395	4395	Unch
Rajkot-(B.T)	4375	4385	-10
Abohar-J-34*	3500	3500	Unch
Muktsar-J-34 *(Cotton) #(Kapas BT Cotton)	3540	3535	+5
	4225	4225	Unch
Fajlika #(Cotton New) #(Kapas BT Cotton)	3525	-	-
	4250	-	-
Khandwa-(M.P)	-	-	-
Khargaon-(M.P)	-	-	-
Sri-Ganganagar	3450	3450	Unch

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	11-12-2012	10-12-2012	
Amravati -Vunni Mech-1#	1000	1500	-500
Kadi -Bt Cotton	45000	40000	+5000
Ahmedabad - Shankar-6#	33000	35000	-2000
Gondal	947	1147	-200
Rajkot-(B.T)	1350	1300	+50
Abohar-J-34*	1000	1000	Unch
Muktsar-J-34 *(Cotton) #(Kapas BT Cotton)	-	-	-
	450	450	Unch
Fajlika #(Cotton New) #(Kapas BT Cotton)	-	-	-
	3000	-	-
Khandwa (M.P)	-	-	-
Khargaon-(M.P)	-	-	-
Sri-Ganganagar	7000	7000	Unch

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

Cotton Association of India Spot Rates: 10/12/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (10/12/2012)	Rs. Per Candy (08/12/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	35900	35900	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	36400	36400	Unch
J-34(202)	26mm	3.5 - 4.9	23	32400	32200	+200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33100	33100	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	33700	33700	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34300	34300	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	34700	34700	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	45300	45100	+200

Cotlook Index: As on 10/12/2012

Cotlook Indices	Cents/Pound	Change
A-Index	82.55	+0.20

China Cotton Index: As on 11/12/2012

Index	RMB/Ton	Change
CCIndex(328)	19009	+14
CCIndex(527)	16703	+7
CCIndex(229)	19843	+7

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

USDA Cotton Spot Rates: As on 07/12/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	71.54	75.04	1557
North Delta	70.54	72.04	NIL
South Delta	70.54	72.04	NIL
East TX-OK	67.75	72.25	2669
West Texas	67.75	73	24678
Desert SW	68.29	74.79	NIL
SJ Valley	69.29	79.94	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 10/12/2012

Contract	Open	High	Low	Close	Change
Dec-12	73.85	74.33	73.27	73.4	-0.39
Mar-12	74.59	75.2	74.22	74.35	-0.35
May-12	75.45	75.95	75.15	75.26	-0.26
Jul-12	76.24	76.24	76.24	76.24	-0.45
Oct-12	77.61	77.82	77.2	77.27	-0.34
Dec-12	78.16	78.16	77.82	77.82	-0.37

Pakistan Cotton Spot rates: As on 08/12/2012 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5850	155	6005
Equivalent	40 Kgs	6269	155	6424

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