

Cotton Domestic Fundamentals:

- Cotton markets noticed strong tone on Wednesday.
- 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

- U.S. Cotton-Crop Estimate Reduced 1.1% in latest USDA report.
- 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.

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	-3	956.50	956.50	956.50	956.50
Apr-13	20	992	1014.5	991	1008.5

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	1	-1	36	0
Apr-13	13629	9177	15194	824

Spread Feb-13 Apr-13

Spread	Feb-13	Apr-13
Basis		
Feb-13		78.5
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	16	975	993	970	989.5
Apr-13	17.9	989	1010	988	1004.4

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	918	740	472	-105
Apr-13	1557	1080	839	157

Spread Feb-13 Apr-13

Spread	Feb-13	Apr-13
Basis	-109.5	
Feb-13		14.9
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	1.28	16440	16640	16440	16600
31-Jan-13	1.15	16600	16800	16600	16720
28-Feb-13	1.32	16690	16960	16690	16890
29-Mar-13	1.19	16990	17130	16920	17040
30-Apr-13	1	17260	17320	17120	17250

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	12-12-2012	11-12-2012	
Amravati-Vunni Mech-1#	4075	4050	25
Kadi-Bt Cotton#	4350	4325	25
Ahmedabad-Shankar-6#	4400	4400	Unch
Gondal	4385	4395	-10
Rajkot-(B.T)	4400	4375	25
Abohar-J-34*	3550	3500	50
Muktsar-J-34 *(Cotton) #(Kapas BT Cotton)	3550	3540	10
	4225	4225	Unch
Fajlika #(Cotton New) #(Kapas BT Cotton)	3525	3525	Unch
	4225	4250	-25
Khandwa-(M.P)	-	-	-
Khargaon-(M.P)	-	-	-
Sri-Ganganagar	3465	3450	15

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	12-12-2012	11-12-2012	
Amravati -Vunni Mech-1#	2000	1000	1000
Kadi -Bt Cotton	40000	45000	-5000
Ahmedabad - Shankar-6#	30000	33000	-3000
Gondal	981	947	34
Rajkot-(B.T)	1475	1350	125
Abohar-J-34*	900	1000	-100
Muktsar-J-34 *(Cotton) #(Kapas BT Cotton)	-	-	-
	450	450	Unch
Fajlika #(Cotton New) #(Kapas BT Cotton)	-	-	-
	2500	3000	-500
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: 11/12/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (11/12/2012)	Rs. Per Candy (10/12/2012)	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	32400	Unch
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	45500	45300	+200

Cotlook Index: As on 11/12/2012

Cotlook Indices	Cents/Pound	Change
A-Index	82.40	-0.15

China Cotton Index: As on 12/12/2012

Index	RMB/Ton	Change
CCIndex(328)	19024	+15
CCIndex(527)	16714	+11
CCIndex(229)	19863	+20

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

USDA Cotton Spot Rates: As on 11/12/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	72.65	76.4	5125
North Delta	71.65	73.4	66
South Delta	71.65	73.4	169
East TX-OK	68.75	73.25	1820
West Texas	68.75	74	21293
Desert SW	69.4	75.9	NIL
SJ Valley	70.4	81.05	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 11/12/2012

Contract	Open	High	Low	Close	Change
Dec-12	73.41	74.99	73.37	74.9	1.5
Mar-12	74.62	75.84	74.31	75.79	1.44
May-12	75.5	76.66	75.29	76.63	1.37
Jul-12	77.21	77.21	77.21	77.21	0.97
Oct-12	77.3	78.35	77.3	78.13	0.86
Dec-12	78.52	78.52	78.52	78.52	0.7

Pakistan Cotton Spot rates: As on 11/12/2012 (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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