

Cotton Domestic Fundamentals:

- Cotton markets notice strong tone on Tuesday except Fazilika, Rajkot and Kadi.
- 7.14 lakh bales of cotton worth Rs 1,534.45 crore has been procured by Cotton Corporation of India (CCI) till 9 Dec 2012, Textiles and Commerce Minister Anand Sharma told the Lok Sabha on Monday. He also added that Cotton prices are above the minimum support price (MSP) levels in Gujarat, Rajasthan, Punjab, Haryana, Madhya Pradesh and majority areas in Maharashtra which is supporting prices. In Andhra Pradesh, the prices touched MSP levels which have raised prices in state.
- Prices declined in North India on Wednesday on rising arrivals and normal demand.
- Latest arrivals recorded in spot market are 6.2 million bales compared to 6.9 million bales arrive in same time last year.
- While prices are dropping in Rajkot due to low export demand and low buying by mills, rising intervals may put further pressure on prices. Also, about 34,000 bales arrived in Gujarat, while 1.48 lakh bales arrived in the rest of the country.

Cotton International Fundamentals

- 10.7 million bales of cotton has been procured by 15 Dec 2012 across Pakistan. That is 2.42 percent higher than same time last year.
- Cotton futures rose to highest point first time in eight weeks on rising demand perspective from China. Chinese manufacturing is picking up pace. Also USDA raised global demand in their latest report.

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

NCDEX Kapas Futures: (Prices in Rs/20kg)						MCX Kapas Futures: (Prices in Rs/20kg)					
Contract	+/-	Open	High	Low	Close	Contract	+/-	Open	High	Low	Close
Feb-13	-10	1,001.00	1,001.00	1,001.00	1,001.00	Feb-13	-7.2	1022.3	1024.5	1016	1017.1
Apr-13	-12	1038.5	1040.5	1027	1028.50	Apr-13	-9.2	1040	1040	1026	1027.1

Volumes and OI in Lots					Volumes and OI lots				
Contract	Volume	Change	OI	Change	Contract	Volume	Change	OI	Change
Feb-13	2	-3	37	-1	Feb-13	327	-35	537	46
Apr-13	7955	-5187	15073	-190	Apr-13	972	-336	905	5

Spread	Feb-13	Apr-13	Spread	Feb-13	Apr-13
Basis	-50		Basis	-137.1	
Feb-13		148.5	Feb-13		10
April-13			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	-0.72	16620	16670	16490	16510
31-Jan-13	-0.53	16830	16900	16740	16760
28-Feb-13	-0.35	17050	17110	16950	16980
29-Mar-13	-0.41	17280	17280	17110	17160
30-Apr-13	-0.4	17430	17430	17320	17350

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	19-12-2012	18-12-2012	
Amravati-Vunni Mech-1#	4100	4050	50
Kadi-Bt Cotton#	4275	4300	-25
Ahmedabad-Shankar-6#	4400	4425	-25
Gondal	4440	4355	85
Rajkot-(B.T)	4425	4420	5
Abohar-J-34*	3570	3575	-5
Muktsar-J-34 *(Cotton) #(Kapas BT Cotton)	3570	3590	-20
	4200	4235	-35
Fajlika #(Cotton New) #(Kapas BT Cotton)	3550	3570	-20
	4300	4320	-20
Khandwa-(M.P)	-	-	-
Khargaon-(M.P)	-	-	-
Sri-Ganganagar	3470	3500	-30

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	19-12-2012	18-12-2012	
Amravati -Vunni Mech-1#	1000	2000	-1000
Kadi -Bt Cotton	25000	35000	-10000
Ahmedabad - Shankar-6#	35000	35000	Unch
Gondal	1804	1869	-65
Rajkot-(B.T)	2500	4300	-1800
Abohar-J-34*	1300	1100	200
Muktsar-J-34 *(Cotton) #(Kapas BT Cotton)	-	-	-
	550	500	50
Fajlika #(Cotton New) #(Kapas BT Cotton)	-	-	-
	2000	2000	Unch
Khandwa (M.P)	-	-	-
Khargaon-(M.P)	-	-	-
Sri-Ganganagar	7000	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: 18/12/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (18/12/2012)	Rs. Per Candy (17/12/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	36200	36200	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	36700	36700	Unch
J-34(202)	26mm	3.5 - 4.9	23	32600	32600	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33100	33100	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	34000	34000	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34000	34000	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	34600	34500	+100
DCH-32(107)	34mm	3.0 - 3.8	33	45700	45700	Unch

Cotlook Index: As on 18/12/2012

Cotlook Indices	Cents/Pound	Change
A-Index	84.15	+0.45

China Cotton Index: As on 19/12/2012

Index	RMB/Ton	Change
CCIndex(328)	19099	+17
CCIndex(527)	16777	+18
CCIndex(229)	19916	+15

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

USDA Cotton Spot Rates: As on 18/12/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	73.7	77.45	664
North Delta	72.7	74.7	NIL
South Delta	72.7	74.7	212
East TX-OK	69.75	74.25	6749
West Texas	69.75	75	26613
Desert SW	70.45	76.95	NIL
SJ Valley	71.45	82.1	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 18/12/2012

Contract	Open	High	Low	Close	Change
Dec-12	75.77	76.29	75.25	75.95	0.1
Mar-12	76.5	76.95	76.02	76.73	0.07
May-12	77.14	77.42	76.71	77.29	0.05
Jul-12	78.08	78.08	78.08	78.08	0.05
Oct-12	78.4	78.6	77.86	78.5	-0.05
Dec-12	78.76	79.05	78.76	79.05	-0.04

Pakistan Cotton Spot rates: As on 18/12/2012 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6000	155	6155
Equivalent	40 Kgs	6323	155	6585
Equivalent	40 Kgs	6430	155	6585

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