

Cotton Domestic Fundamentals:

- Cotton prices noticed mixed tone on Tuesday.
- CCI is likely to procure 60 lakh bales of raw cotton in 2012-13 to support farmers as prices are ruling below MSP levels in some parts of India.
- CCI has already procured 13 lakh bales of raw cotton in current marketing season.
- Lower demand from the millers weighed on prices.
- Around 25000 bales of the new crop arrived in northern India.
- Cotton arrivals decline by 11.74% from 8.80 million bales to 9.97 million bales from corresponding year.

Cotton International Fundamentals

- Pakistan is likely to miss production target of 14.6 million bales by 1.3 million bales, according to Cotton Commissioner Dr Khalid Abdullah.
- China is considering issuing import quotas to help textile companies.
- China, the world's biggest cotton consumer and importer, is studying a proposal to issue extra import quotas for textile mills
- Over 10 million bales of cotton have reached market in Pakistan.

Outlook: We expect domestic cotton prices to continue steady to weak tone on lower demand from the millers.

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

Contract	+/-	Open	High	Low	Close
Feb-13	8	912.00	917.50	910.00	915.00
Apr-13	1	942	948	938	943.00

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

Contract	+/-	Open	High	Low	Close
Feb-13	2.7	932.1	936.5	927.5	932.9
Apr-13	1.8	950	953.9	945.2	949.5

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	5	1	29	-1
Apr-13	8189	-20	13031	-20

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	393	-8	723	-26
Apr-13	984	38	1164	27

Spread Feb-13 Apr-13

Basis	70	
Feb-13		83
April-13		

Spread Feb-13 Apr-13

Basis	-72.9	
Feb-13		16.6
April-13		

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

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

Contract	% Change	Open	High	Low	Close
31-Jan-13	0.18	16400	16520	16340	16440
28-Feb-13	0.36	16650	16760	16640	16690
29-Mar-13	0.36	16960	17030	16930	16960
30-Apr-13	0.7	17220	17250	17170	17210
31-May-13	1.63	17450	17460	17430	17430

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	08-01-2013	07-01-2013	
Amravati-Vunni Mech-1#	4000	4000	Unch
Kadi-Bt Cotton#	4250	4250	Unch
Ahmedabad-Shankar-6#	4300	4300	Unch
Gondal	4300	4475	-175
Rajkot-(B.T)	4340	4350	-10
Abohar-J-34*	3560	3555	5
Muktsar-J-34 *(Cotton)	3560	3555	5
#(Kapas BT Cotton)	4150	4150	Unch
Fajlika #(Cotton New)	-	3530	-
#(Kapas BT Cotton)	-	4210	-
Khandwa-(M.P)	4100	4040	60
Khargaon-(M.P)	4100	4040	60
Sri-Ganganagar	3470	3470	Unch

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	08-01-2013	07-01-2013	
Amravati -Vunni Mech-1#	3000	2600	400
Kadi -Bt Cotton	45000	55000	-10000
Ahmedabad - Shankar-6#	38000	41000	-3000
Gondal	2564	2818	-254
Rajkot-(B.T)	5060	4750	310
Abohar-J-34*	700	1000	-300
Muktsar-J-34 *(Cotton)	-	-	-
#(Kapas BT Cotton)	550	600	-50
Fajlika #(Cotton New)	-	-	-
#(Kapas BT Cotton)	-	2000	-
Khandwa (M.P)	2500	3500	-1000
Khargaon-(M.P)	800	9000	-8200
Sri-Ganganagar	5000	5000	Unch

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

Cotton Association of India Spot Rates: 07/01/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (07/01/2013)	Rs. Per Candy (05/01/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	34600	34400	+200
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	35100	34900	+200
J-34(202)	26mm	3.5 - 4.9	23	32500	32400	+100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32800	32900	-100
Shankar-6(105)	29mm	3.5 - 4.9	28	33600	33600	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34000	33700	+300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35000	34400	+600
DCH-32(107)	34mm	3.0 - 3.8	33	45000	45000	Unch

Cotlook Index: As on 07/01/2013

Cotlook Indices	Cents/Pound	Change
A-Index	83.15	-0.30

China Cotton Index: As on 08/01/2013

Index	RMB/Ton	Change
CCIndex(328)	19235	+5
CCIndex(527)	16871	+5
CCIndex(229)	20000	-5

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

USDA Cotton Spot Rates: As on 07/01/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	73.21	76.46	502
North Delta	70	74.5	999
South Delta	70	74.25	2739
East TX-OK	72.46	74.46	NIL
West Texas	72.46	74.46	NIL
Desert SW	70.46	76.96	NIL
SJ Valley	71.21	81.86	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 07/01/2013

Contract	Open	High	Low	Close	Change
Mar-12	75.15	75.87	74.64	75.71	0.66
May-12	75.92	76.6	75.46	76.53	0.64
Jul-12	76.86	77.55	76.41	77.47	0.62
Oct-12	78.26	78.58	78.26	78.58	0.41
Dec-12	79	79.5	78.67	79.41	0.31
Mar-12	80.56	80.56	80.56	80.56	0.46

Pakistan Cotton Spot rates: As on 07/01/2013 (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	6430	155	6585

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