

**Cotton Domestic Fundamentals:**

- Cotton prices noticed steady to firm tone on Saturday,
- Most of the markets remained closed following local festival.
- Good demand from the mills and firm tone at ICE futures lend support to the market.
- Around 33000 bales of cotton arrived in north India.
- Good export demand of cotton yarn added to the positive tone of the market.
- Total procurement of cotton in Andhra Pradesh is around 30% of total production expected. CCI, Nafed and private traders have procured 2.41 million bales so far, according to commissioner and director of agricultural marketing, G Venkatram Reddy.
- Registration for exporting cotton yarn stood at 100 million kg, 32 per cent higher in November 2012 than in the year-ago period and five per cent more than in the previous month according to Director General of Foreign Trade.

**Cotton International Fundamentals**

- China is considering selling off cotton from its major reserve to help spinners.
- Cotton futures at NYMEX closed higher amid improved demand for U.S. cotton.
- According to USDA, projected U.S. production of cotton was lowered to 17 million bales, a 1.4% decrease that was more than the 0.1% average decline analysts had expected.
- The USDA also raised its prediction for U.S. cotton exports by 3.3% from its previous forecast to 12.2 million bales, which brought U.S. ending stocks to 4.8 million bales, an 11% decrease from the previous report.
- Prices remained firm in Pakistan amid holding of stocks by farmers.
- By March of this year, China is expected to accumulate some 8 million tons of cotton, equal to a third of total global output in 2012-13.

**Outlook:** We expect domestic cotton prices to continue steady to firm tone on good export demand of cotton yarn.

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

| Contract | +/-  | Open | High | Low   | Close |
|----------|------|------|------|-------|-------|
| Feb-13   |      |      |      |       |       |
| Apr-13   | -9.5 | 943  | 946  | 927.5 | 929   |

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

| Contract | +/-  | Open  | High | Low   | Close |
|----------|------|-------|------|-------|-------|
| Feb-13   | -9.4 | 929   | 930  | 912.6 | 914.5 |
| Apr-13   | -7.6 | 947.8 | 951  | 934.3 | 935.7 |

**Volumes and OI in Lots**

| Contract | Volume | Change | OI    | Change |
|----------|--------|--------|-------|--------|
| Feb-13   |        |        |       |        |
| Apr-13   | 7191   | -112   | 12738 | -112   |

**Volumes and OI lots**

| Contract | Volume | Change | OI   | Change |
|----------|--------|--------|------|--------|
| Feb-13   | 235    | -127   | 1015 | 66     |
| Apr-13   | 595    | -186   | 1308 | 103    |

**Spread Feb-13 Apr-13**

| Spread   | Feb-13 | Apr-13 |
|----------|--------|--------|
| Basis    |        |        |
| Feb-13   |        | 64     |
| April-13 |        |        |

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

**Spread Feb-13 Apr-13**

| Spread   | Feb-13 | Apr-13 |
|----------|--------|--------|
| Basis    | -49.5  |        |
| Feb-13   |        | 21.2   |
| 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-Jan-13 | -0.24    | 16400 | 16440 | 16320 | 16350 |
| 28-Feb-13 | -0.24    | 16630 | 16690 | 16590 | 16600 |
| 29-Mar-13 | -0.24    | 16950 | 16980 | 16900 | 16910 |
| 30-Apr-13 | -0.06    | 17250 | 17260 | 17210 | 17210 |
| 31-May-13 | 0.06     | 17520 | 17520 | 17440 | 17440 |

**Cotton Prices at Key Spot Markets**

| Centre (1 bale = 170 Kg)                      | Prices (Rs/Qtl) |            | Change |
|---|-----------------|------------|--------|
|   | 12-01-2013      | 11-01-2013 |        |
| Amravati-Vunni Mech-1#                        | 4050            | 4050       | Unch   |
| Kadi-Bt Cotton#                               | 4250            | -          | -      |
| Ahmedabad-Shankar-6#                          | 4325            | 4325       | Unch   |
| Gondal  | 4305            | 4300       | 5      |
| Rajkot-(B.T)                                  | 4350            | Closed     | -      |
| Abohar-J-34*                                  | 3600            | 3600       | Unch   |
| Muktsar-J-34 *(Cotton )<br>#(Kapas BT Cotton) | Closed          | Closed     | -      |
|   | Closed          | Closed     | -      |
| Fajlika *(Cotton New)<br>#(Kapas BT Cotton)   | Closed          | 3550       | -      |
|   | Closed          | 4290       | -      |
| Khandwa-(M.P)                                 | Closed          | Closed     | -      |
| Khargaon-(M.P)                                | Closed          | Closed     | -      |
| Sri-Ganganagar                                | 3515            | 3500       | 15     |

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

**Cotton Arrivals in Key Centers**

| Centre (1 bale = 170 Kg)                      | Arrivals   |            | Change |
|---|------------|------------|--------|
|   | 12-01-2013 | 11-01-2013 |        |
| Amravati -Vunni Mech-1#                       | 4000       | 3000       | 1000   |
| Kadi -Bt Cotton                               | -          | -          | -      |
| Ahmedabad - Shankar-6#                        | 38000      | 40000      | -2000  |
| Gondal  | 2016       | 2138       | -122   |
| Rajkot-(B.T)                                  | 4830       | Closed     | -      |
| Abohar-J-34*                                  | 1000       | 1000       | Unch   |
| Muktsar-J-34 *(Cotton )<br>#(Kapas BT Cotton) | Closed     | Closed     | -      |
|   | Closed     | Closed     | -      |
| Fajlika *(Cotton New)<br>#(Kapas BT Cotton)   | Closed     | -          | -      |
|   | Closed     | 2000       | -      |
| Khandwa (M.P)                                 | Closed     | Closed     | -      |
| Khargaon-(M.P)                                | Closed     | Closed     | -      |
| Sri-Ganganagar                                | 6000       | 5000       | 1000   |

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

**Cotton Association of India Spot Rates: 11/01/2013**

| Trade Name                            | Staple     | Micronaire | Strength/<br>GPT | Rs. Per<br>Candy<br>(11/01/2013) | Rs. Per<br>Candy<br>(09/01/2013) | Change      |
|---------------------------------------|------------|------------|------------------|----------------------------------|----------------------------------|-------------|
| Bengal Deshi (RG)/ Assam Comilla(101) | Below 22mm | 5.0 - 7.0  | 15               | 35100                            | 34700                            | <b>+400</b> |
| Bengal Deshi (SG)(201)                | Below 22mm | 5.0 - 7.0  | 15               | 35600                            | 35200                            | <b>+400</b> |
| J-34(202)                             | 26mm       | 3.5 - 4.9  | 23               | 32600                            | 32600                            | <b>Unch</b> |
| H-4/ MECH-1(105)                      | 28mm       | 3.5 - 4.9  | 27               | 32800                            | 32800                            | <b>Unch</b> |
| Shankar-6(105)                        | 29mm       | 3.5 - 4.9  | 28               | 33600                            | 33600                            | <b>Unch</b> |
| Bunny/ Brahma(105)                    | 31mm       | 3.5 - 4.9  | 30               | 34000                            | 34000                            | <b>Unch</b> |
| MCU-5/ Surabhi(106)                   | 32mm       | 3.3 - 4.9  | 31               | 45000                            | 45000                            | <b>Unch</b> |
| DCH-32(107)                           | 34mm       | 3.0 - 3.8  | 33               | 45000                            | 45000                            | <b>Unch</b> |

**Cotlook Index: As on 11/01/2013**

| Cotlook Indices | Cents/Pound | Change       |
|-----------------|-------------|--------------|
| A-Index         | 83.35       | <b>+0.25</b> |

**China Cotton Index: As on 11/01/2013**

| Index        | RMB/Ton | Change    |
|--------------|---------|-----------|
| CCIndex(328) | 19258   | <b>+8</b> |
| CCIndex(527) | 16891   | <b>+5</b> |
| CCIndex(229) | 20012   | <b>+5</b> |

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

**USDA Cotton Spot Rates: As on 11/01/2013**

| Growth Area | Leaf 4 to Staple 34 | Leaf 3 to Staple 35 | Arrivals    |
|-------------|---------------------|---------------------|-------------|
|             | cents/lb.           |                     | bales       |
| Southeast   | 72.87               | 76.12               | <b>9683</b> |
| North Delta | 72.37               | 74.87               | NIL         |
| South Delta | 72.37               | 74.87               | NIL         |
| East TX-OK  | 69                  | 72.75               | <b>1601</b> |
| West Texas  | 69                  | 72.75               | <b>7315</b> |
| Desert SW   | 70.37               | 76.87               | NIL         |
| SJ Valley   | 70.7                | 81.35               | 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 11/01/2013**

| Contract | Open  | High  | Low   | Close | Change |
|----------|-------|-------|-------|-------|--------|
| 13-Mar   | 74.89 | 75.33 | 74.55 | 75.2  | 0.41   |
| 13-May   | 75.72 | 76.12 | 75.46 | 76.04 | 0.37   |
| 13-Jul   | 76.72 | 77.17 | 76.52 | 77.12 | 0.42   |
| 13-Oct   | 78.19 | 78.19 | 78.19 | 78.19 | 0.6    |
| 13-Dec   | 78.42 | 79.12 | 78.22 | 79.09 | 0.67   |
| 14-Mar   | 80.39 | 80.39 | 80.39 | 80.39 | 0.72   |

**Pakistan Cotton Spot rates: As on 11/01/2013 (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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