

Cotton Domestic Fundamentals:

- Cotton prices noticed week tone on Friday; most of markets in North India reported normal demand amid lower arrivals due to bad weather.
- Cotton prices increased in Gujarat, over fresh buying from millers and exporters. Prices after coming down in this week are expected to increase in coming next week, if demand from exporters continues in the market.
- Cotton consumption by non-SSI mill stood at 1.928 million bales during November, 2012 and SSI mill consumption was at 184,000 bales up 8.2 percent compared to same period last year, as per textile commissioner.
- Cotton Association of India has come out with higher outlook in carryover stocks at 147.46 lakh bales.
- Exports in 2012-13 are estimated to be at 57 lakh bales by USDA report.

Cotton International Fundamentals

- Pakistan total cotton arrivals to ginners and millers had touches 12.02 million bales, which is 6.29 percent less than previous year. Mills are struggling from energy crisis, which has affected the export.
- China cotton output increased by 3.2% to 6.84 million tons as per National Bureau of Statistics, China.
- USDA forecast, China to reduce the imports by 53% which may be affecting international prices to reduce.
- USA Cotton acreage is expected to decrease by 21% to 9.73 million hectares due to crop shift to corn and soybean crops as they are giving higher returns than fiber crop.

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	-4.5	922	926	919	921.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	0	-2	36	-2
Apr-13	3984	220	13105	220

Spread	Feb-13	Apr-13
Basis	60	
Feb-13		51
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	-4.3	906	907.9	902.5	903.4
Apr-13	-4.1	934	934	924.2	925.1

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	80	-93	1071	7
Apr-13	283	-308	1421	49

Spread	Feb-13	Apr-13
Basis	-33.4	
Feb-13		21.7
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	0.18	16380	16430	16370	16380
28-Feb-13	0.18	16650	16680	16630	16640
29-Mar-13	0.3	16960	16980	16910	16960
30-Apr-13	0.17	17260	17260	17240	17240
31-May-13	0.17	17500	17500	17480	17480

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	19-01-2013	18-01-2013	
Amravati-Vunni Mech-1#	4050	4025	+25
Kadi-Bt Cotton#	4150-4250	4150-4250	Unch
Ahmedabad-Shankar-6#	4250-4350	-	-
Gondal	3875-4285	3880-4300	-15
Rajkot-(B.T)	4175-4325	4000-4290	+35
Abohar-J-34*	3575-3580	-	-
Muktsar-J-34 *(Cotton) #(Kapas BT Cotton)	3580	-	-
	-	-	-
Fajlika *(Cotton New) #(Kapas BT Cotton)	3560-3570	-	-
	4270	-	-
Khandwa-(M.P)	-	-	-
Khargaon-(M.P)	-	-	-
Sri-Ganganagar	3500	3500	Unch

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	19-01-2013	18-01-2013	
Amravati -Vunni Mech-1#	3000	3000	Unch
Kadi -Bt Cotton	40000	35000	+5000
Ahmedabad - Shankar-6#	42000	-	-
Gondal	1374	1724	-350
Rajkot-(B.T)	4800	4710	+90
Abohar-J-34*	800	-	-
Muktsar-J-34 *(Cotton) #(Kapas BT Cotton)	200	-	-
	-	-	-
Fajlika *(Cotton New) #(Kapas BT Cotton)	-	-	-
	1500	-	-
Khandwa (M.P)	-	-	-
Khargaon-(M.P)	-	-	-
Sri-Ganganagar	4000	3000	+1000

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

Cotton Association of India Spot Rates: 18/01/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (18/01/2013)	Rs. Per Candy (17/01/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	34600	34600	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	35100	35100	Unch
J-34(202)	26mm	3.5 - 4.9	23	32700	32700	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33000	33000	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	33900	33900	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34300	34300	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35200	35200	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	45000	45000	Unch

Cotlook Index: As on 18/01/2013

Cotlook Indices	Cents/Pound	Change
A-Index	85.50	+0.50

China Cotton Index: As on 18/01/2013

Index	RMB/Ton	Change
CCIndex(328)	19287	+4
CCIndex(527)	16905	+4
CCIndex(229)	20039	+2

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

USDA Cotton Spot Rates: As on 18/01/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	75.55	78.80	1410
North Delta	75.05	77.55	198
South Delta	75.05	77.55	NIL
East TX-OK	71.75	75.25	3122
West Texas	71.75	75.25	18771
Desert SW	73.05	79.55	600
SJ Valley	73.80	84.45	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 18/01/2013

Contract	Open	High	Low	Close	Change
13-Mar	77.75	78.88	77.55	78.55	+0.77
13-May	78.10	78.95	77.83	78.67	+0.48
13-Jul	78.57	79.20	78.34	79.00	+0.14
13-Oct	78.99	78.99	78.99	78.99	-0.08
13-Dec	79.10	79.50	78.84	79.18	-0.11
14-Mar	80.03	80.21	80.03	80.21	-0.02

Pakistan Cotton Spot rates: As on 18/01/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5900	155	6055
Equivalent	40 Kgs	6323	155	6478

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