

Cotton Domestic Fundamentals:

All the key markets closed positive besides Amravati in physical markets of Cotton on Tuesday. Supportive buying and weak arrivals lent support to price at current level. Uneven arrivals have been reported in the market today. The arrivals in Ahmadabad market reached lower to 60,000 bales from the previous day arrivals at 65000 bales. As the farmers are still waiting for better prices and releasing their fresh cotton crops slowly in most of the mandies. As per the sources, some of the exporters are interested to sell cotton in local market due to appreciation in Indian currency, which may restrict uptrend of cotton prices. On other hand spinners demand is relatively reducing as they are waiting cotton prices to come down. The secretary of Indian cotton federation said that cotton production is likely to fall from the earlier estimation i.e. 356 lakh bales as major growing states like Maharastra, Andhra Pradesh and Karnataka has reported lower cotton production this year.

Cotton International Fundamentals

Chinese buying is expected during the week as well before the Chinese Lunar Year to cover most of their requirements for Feb. This is expected to lend underlying support to the cotton prices at global front.

Outlook: Domestic and International

Cotton prices at domestic centers are expected to stay range bound to weak for short term. However, it may find buying support at lower quotes due to expectation of lower arrivals and possibility of renewed Chinese buying.

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

Contract	+/-	Open	High	Low	Close
Feb-12	-27.90	960.40	960.40	936.00	940.1
Mar-12	-29.20	970.00	981.90	945.00	945.0
Apr-12	-27.60	983.40	987.00	949.70	951.0

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-12	10	0	61	-1
Mar-12	19	16	29	2
Apr-12	11438	679	10653	-412

Spread	Feb-12	Mar-12	Apr-12
Basis	-38.1		
Feb-12		4.9	
Mar-12			6

NB: Spread was done by taking Average of Spot prices at Ahmedabad market for Shankar cotton.

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

Contract	+/-	Open	High	Low	Close
Mar-12	-34.10	988.40	988.80	945.00	947.0
Apr-12	-25.70	989.00	995.00	958.10	962.0

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-12	2101	-463	1222	46
Apr-12	2861	-257	1539	15

Spread	Mar-12	Apr-12
Basis	-45	
Mar-12		15
Apr-12		

NB: Spread was done by taking Average of Spot prices at Ahmedabad market for Shankar cotton.

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	24-01-12	23-01-12	
Kadi – Bt Cotton	4325-4700	4250-4650	+50
Amravati – Vunni Mech-1	4100	4200	-100
Ahmedabad – Shankar-6	4450-4575	4450-4550	+25
Abhor – J-34	3915	3875	+40
Muktsar – J-34	3915	3875	+40

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	24-01-12	23-01-12	
Kadi –Bt Cotton (truck)	450	450	Unch
Amravati –Vunni Mech-1 (bales)	7000	2000	+5000
Ahmedabad – Shankar-6	60000	65000	-5000
Abohar (bales)	800	700	+100
Muktsar (bales)	400	400	Unch

Cotton Association of India Spot Rates: As on 23/01/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy
Bengal Deshi (RG)/ Assam Comilla	Below 22mm	5.0 - 7.0	15	36800
Bengal Deshi (SG)	Below 22mm	5.0 - 7.0	15	37800
J-34	25mm	3.5 - 4.9	23	34400
H-4/ MECH-1	28mm	3.5 - 4.9	25	35500
Shankar-6	29mm	3.5 - 4.9	26	36800
Bunny/ Brahma	31mm	3.5 - 4.9	27	36500
MCU-5/ Surabhi	33mm	3.3 - 4.5	28	38400
DCH-32	35mm	2.8 - 3.6	31	48000

Cotlook Index: As on 23/01/2012

Cotlook Indices	Cents/Pound	Change
A-Index	102.75	+0.30

China Cotton Index: As on 21/01/2012

Index	RMB/Ton	Change
CCIndex(328)	19288	5
CCIndex(527)	16700	4
CCIndex(229)	20508	3

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

USDA Cotton Spot Rates: As on 23/01/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	93.87	95.62	537
North Delta	93.37	94.37	369
South Delta	93.37	94.37	NIL
East TX-OK	87.75	92.50	2937
West Texas	88.00	93.50	9819
Desert SW	92.87	98.62	Nil
SJ Valley	94.37	104.77	NII

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 23/01/2012

Contract	Open	High	Low	Close	Change
Mar-12	98.39	99.44	98.06	99.37	+0.77
May-12	97.55	99.50	97.55	99.46	+0.83
Jul-12	98.18	99.42	97.91	99.37	+1.10
Oct-12	98.00	98.00	97.95	97.95	+1.07
Dec-12	93.75	95.00	93.70	94.97	+1.06
Mar 13	95.00	95.55	95.00	95.55	+1.09

Pakistan Cotton Spot rates: As on 23/01/2012 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5750	130	5880
Equivalent	40 Kgs	6162	130	6292

1.00 PKR = 0.557127 INR (as on dated 21st Jan)

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