

Cotton Domestic Fundamentals:

Cotton price has softened in spot market against Amravati market price which closed up on Wednesday. Dull trade activities have been featured in markets. Uneven arrivals have been reported in the market today. On other hand spinners demand is relatively reducing as they are waiting cotton prices to come down. Due to crop damage in Andhra Pradesh and Maharashtra, the Cotton Advisory Board has revised its earlier production estimate to 34.5 million bales from 35.6 million bales. However, despite the reduction, the total production this year is estimated to exceed last year's output. Therefore, it will remain the highest quantity the country has ever produced.

Cotton International Fundamentals

Domestic consumption of raw cotton has slightly increased on account of good export demand for yarn mainly from China, Sri Lanka, Bangladesh, Vietnam and Egypt, along with strong domestic demand.

Outlook: Domestic and International

Cotton prices 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	-37.60	923.20	936.90	904.20	904.2
Mar-12	-27.80	935.00	945.00	917.20	917.2
Apr-12	-28.90	949.30	958.00	919.10	924.5

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

Contract	+/-	Open	High	Low	Close
Mar-12	-30.80	940.00	947.50	915.50	918.0
Apr-12	-27.40	962.00	965.70	928.30	935.1

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-12	46	36	62	1
Mar-12	13	-6	28	-1
Apr-12	14225	2787	10305	-348

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-12	2391	290	978	-244
Apr-12	3450	589	1422	-117

Spread	Feb-12	Mar-12	Apr-12
Basis	-4.2		
Feb-12		13	
Mar-12			7.3

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

Spread	Mar-12	Apr-12
Basis	-18	
Mar-12		17.1
Apr-12		

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

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

Contract	% Change	Open	High	Low	Close
Jan-12	-0.56	17720	17470	17630	17730
Mar-12	-1.02	18550	18230	18360	18550
Apr-12	-1.32	18820	18650	18700	18950
May-12	3.26	19090	18980	19030	18430

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	25-01-12	24-01-12	
Kadi – Bt Cotton	4325-4675	4325-4700	-25
Amravati – Vunni Mech-1	4150	4100	+50
Ahmedabad – Shankar-6	4450-4525	4450-4575	-50
Abhor – J-34	3875-3900	3915	-15
Muktsar – J-34	3875-3900	3915	-15

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	25-01-12	24-01-12	
Kadi –Bt Cotton (truck)	350	450	-100
Amravati –Vunni Mech-1 (bales)	7000	7000	Unch
Ahmedabad – Shankar-6	55000	60000	-5000
Abohar (bales)	1200	800	400
Muktsar (bales)	450	400	50

Cotton Association of India Spot Rates: As on 24/01/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy
Bengal Deshi (RG)/ Assam Comilla	Below 22mm	5.0 - 7.0	15	37000
Bengal Deshi (SG)	Below 22mm	5.0 - 7.0	15	38000
J-34	25mm	3.5 - 4.9	23	34500
H-4/ MECH-1	28mm	3.5 - 4.9	25	35800
Shankar-6	29mm	3.5 - 4.9	26	37100
Bunny/ Brahma	31mm	3.5 - 4.9	27	36800
MCU-5/ Surabhi	33mm	3.3 - 4.5	28	38400
DCH-32	35mm	2.8 - 3.6	31	48300

Cotlook Index: As on 24/01/2012

Cotlook Indices	Cents/Pound	Change
A-Index	103.65	+0.90

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 24/01/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	92.68	94.43	16
North Delta	92.18	93.18	60
South Delta	92.18	93.18	NIL
East TX-OK	86.75	91.50	1366
West Texas	87.00	92.50	18170
Desert SW	91.68	97.43	Nil
SJ Valley	93.18	103.58	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 24/01/2012

Contract	Open	High	Low	Close	Change
Mar-12	99.00	99.47	97.13	98.18	-1.19
May-12	99.15	99.54	97.41	98.54	-0.92
Jul-12	99.15	99.42	97.50	98.65	-0.72
Oct-12	97.65	97.65	97.95	97.95	-0.30
Dec-12	94.23	95.05	94.00	94.41	-0.56
Mar 13	95.59	95.60	94.79	94.89	-0.66

Pakistan Cotton Spot rates: As on 24/01/2012 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5800	130	5930
Equivalent	40 Kgs	6216	130	6346

1.00 PKR = 0.557127 INR

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