

**Cotton Domestic Fundamentals:**

Remain mixed sentiments featured in spot market of cotton on Monday. On other hand steady to weak arrivals has been reported in markets. The arrivals in Ahmadabad reported at 60000 bales similar to previous day arrivals. Overall slow trading activity seemed in cotton market. Besides, NCDEX prices closed up supporting buying interest at the current level.

Maharashtra has lowest yield at 355 kgs per hectare and Karnataka yield is 322 kg a hectare, released in the recent data of Cotton Corporation of India. According to Hirani, a yield of at least 5-6 quintals per acre is needed for the farmer to turn a profit. The state government is planning to increase minimum support price to support farmers.

**Cotton International Fundamentals**

Pakistan Cotton Ginners' Association reported total seed-cotton arrivals up by 19.23% at 12.829 million bales vs 10.760 million bales same time last season. In Punjab province arrivals are reported higher by 44.44 percent at 10.312 million bales and in Sindh lower by 30.48 percent at 2.517 million bales.

**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	34.30	880.00	890.50	877.20	890.5
Mar-12	18.70	895.00	902.90	886.00	890.0
Apr-12	35.00	884.50	908.70	884.50	908.7

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

Contract	+/-	Open	High	Low	Close
Mar-12	34.40	866.50	894.70	866.50	894.7
Apr-12	35.20	894.00	914.80	894.00	914.8

**Volumes and OI in Lots**

Contract	Volume	Change	OI	Change
Feb-12	25	0	57	-7
Mar-12	10	-12	29	0
Apr-12	8560	-794	9142	-304

**Volumes and OI in Lots**

Contract	Volume	Change	OI	Change
Mar-12	782	-251	896	-71
Apr-12	2025	10	1120	-257

Spread	Feb-12	Mar-12	Apr-12
Basis	9.5		
Feb-12		-0.5	
Mar-12			18.7

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

Spread	Mar-12	Apr-12
Basis	5.3	
Mar-12		20.1
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	2.75	17600	17620	17400	17580
Mar-12	2.81	18100	18320	18100	18290
Apr-12	3.16	18500	18640	18450	18630
May-12	2.49	18870	18900	18870	18900

## Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	30-01-12	28-01-12	
Kadi – Bt Cotton	4325-4650	4325-4600	+50
Amravati – Vunni Mech-1	4100	4200	-100
Ahmedabad – Shankar-6	4450-4500	4450	+50
Abhor – J-34	-	3760	-
Muktsar – J-34	-	3760	-

## Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	30-01-12	28-01-12	
Kadi –Bt Cotton (truck)	250	400	-150
Amravati –Vunni Mech-1 (bales)	4000	5000	-1000
Ahmedabad – Shankar-6	60000	60000	Unch
Abohar (bales)	-	600	-
Muktsar (bales)	-	300	-

## Cotton Association of India Spot Rates: As on 28/01/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy
Bengal Deshi (RG)/ Assam Comilla	Below 22mm	5.0 - 7.0	15	35700
Bengal Deshi (SG)	Below 22mm	5.0 - 7.0	15	36700
J-34	25mm	3.5 - 4.9	23	33000
H-4/ MECH-1	28mm	3.5 - 4.9	25	34800
Shankar-6	29mm	3.5 - 4.9	26	36100
Bunny/ Brahma	31mm	3.5 - 4.9	27	36000
MCU-5/ Surabhi	33mm	3.3 - 4.5	28	37800
DCH-32	35mm	2.8 - 3.6	31	48500

## Cotlook Index: As on 27/01/2012

Cotlook Indices	Cents/Pound	Change
A-Index	100.95	-1.30

## China Cotton Index: As on 30/01/2012

Index	RMB/Ton	Change
CCIndex(328)	19298	9
CCIndex(527)	16712	12
CCIndex(229)	20516	3

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

## USDA Cotton Spot Rates: As on 27/01/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	89.61	91.36	5287
North Delta	89.11	90.11	1536
South Delta	89.11	90.11	42
East TX-OK	85.00	89.75	541
West Texas	85.25	90.75	2621
Desert SW	89.11	94.86	NIL
SJ Valley	90.61	101.01	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 27/01/2012**

Contract	Open	High	Low	Close	Change
Mar-12	95.3	96.49	95.3	95.61	+0.02
May-12	95.79	96.9	95.79	96.09	+0.05
Jul-12	96.38	97.19	96.3	96.56	+0.19
Oct-12	96.56	96.56	96.56	96.56	+0.39
Dec-12	94	94.89	94	94.59	+0.34
Mar 13	95.45	95.45	94.99	95.09	-0.05

**Pakistan Cotton Spot rates: As on 27/01/2012 (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 (as on dated 21<sup>st</sup> Jan)

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