

Cotton Domestic Fundamentals:

Continue mixed sentiments featured in spot market of cotton on Wednesday. Supportive buying and weak arrivals below expectation lent support to price at current level. The arrivals in Ahmadabad market reported unchanged at 60,000 bales. The CCI further said that farmers are holding back their fresh crop as in expectation that government may hike MSP (minimum support price), which may influence spot prices.

The Cotton Advisory board has increased its estimation of cotton consumption to 21.6 million bales from its earlier estimate i.e. 21 million bales on the basis of renewed demand for cotton by textile mills. Relatively CAB has estimated an increase in small- scale industries from the earlier 2 million bales to 2.4 million bales.

Cotton International Fundamentals

Strong Rupees and lower demand from China on account of holiday season is expected to keep exporters away from buying, however lower supplies may check prices to come down.

Outlook: Domestic and International

Cotton prices at domestic centers are expected to trade steady for short term. However, it may find buying support at lower quotes and possibility of renewed Chinese buying.

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

Contract	+/-	Open	High	Low	Close
Feb-12	-35.50	875.00	875.00	853.50	853.5
Mar-12	-35.80	890.00	890.00	863.60	863.6
Apr-12	-34.60	905.00	905.00	873.60	875.4

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

Contract	+/-	Open	High	Low	Close
Mar-12	-31.50	892.00	896.00	864.10	868.2
Apr-12	-36.60	909.00	911.00	880.90	881.0

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-12	20	3	54	-2
Mar-12	45	12	13	-18
Apr-12	11983	2120	8459	-716

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-12	1450	436	797	-85
Apr-12	2203	-27	1027	-80

Spread	Feb-12	Mar-12	Apr-12
Basis	46.5		
Feb-12		10.1	
Mar-12			11.8

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

Spread	Mar-12	Apr-12
Basis	31.8	
Mar-12		12.8
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	-1.04	18050	18050	17820	17890
Mar-12	-1.07	18250	18300	18140	18230
Apr-12	-1.22	18600	18600	18540	18550
May-12	-1.04	18050	18050	17820	17890

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	1-02-12	31-01-12	
Kadi – Bt Cotton	4375-4625	4325-4675	-50
Amravati – Vunni Mech-1	4125	4100-4125	Unch
Ahmedabad – Shankar-6	4425-4500	4450-4525	+25
Abhor – J-34	3835	3860	-25
Muktsar – J-34	3835	3860	-25

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	1-02-12	31-01-12	
Kadi –Bt Cotton (truck)	350	125	+225
Amravati –Vunni Mech-1 (bales)	4000	7000	-3000
Ahmedabad – Shankar-6	60000	60000	Unch
Abohar (bales)	600	400	+200
Muktsar (bales)	200	150	+50

Cotton Association of India Spot Rates: As on 31/01/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy
Bengal Deshi (RG)/ Assam Comilla	Below 22mm	5.0 - 7.0	15	35900
Bengal Deshi (SG)	Below 22mm	5.0 - 7.0	15	36900
J-34	25mm	3.5 - 4.9	23	33800
H-4/ MECH-1	28mm	3.5 - 4.9	25	35300
Shankar-6	29mm	3.5 - 4.9	26	36700
Bunny/ Brahma	31mm	3.5 - 4.9	27	36500
MCU-5/ Surabhi	33mm	3.3 - 4.5	28	38300
DCH-32	35mm	2.8 - 3.6	31	48800

Cotlook Index: As on 31/01/2012

Cotlook Indices	Cents/Pound	Change
A-Index	101.35	+0.40

China Cotton Index: As on 1/02/2012

Index	RMB/Ton	Change
CCIndex(328)	19332	19
CCIndex(527)	16731	15
CCIndex(229)	20539	22

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

USDA Cotton Spot Rates: As on 31/01/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	87.25	89.00	199
North Delta	86.75	87.75	NIL
South Delta	86.75	87.75	81
East TX-OK	82.50	87.25	494
West Texas	82.75	88.25	1373
Desert SW	86.75	92.50	56
SJ Valley	88.25	98.65	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 31/01/2012

Contract	Open	High	Low	Close	Change
Mar-12	94.62	95.29	93.11	93.25	-0.90
May-12	95.00	95.94	94.40	94.51	-0.36
Jul-12	95.40	96.64	95.40	95.61	Unch
Oct-12	95.16	95.16	95.16	95.16	-0.12
Dec-12	93.40	94.56	93.25	93.53	+0.09
Mar 13	94.08	94.33	93.92	94.33	+0.50

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 21st Jan)

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