

**Cotton Domestic Fundamentals:**

Steady to weak sentiments featured in spot market of cotton on Thursday as strong supplies in the market. The arrivals in Ahmadabad market reported unchanged at 60,000 bales. As of now farmers have started to release their fresh crop in the market as they are in fear that price may come down at the current.

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**

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	<b>-18.40</b>	850.10	854.00	835.10	835.10
Mar-12	<b>-8.70</b>	870.90	870.90	856.00	856.00
Apr-12	<b>-14.50</b>	870.00	878.00	851.00	859.50

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

Contract	+/-	Open	High	Low	Close
Mar-12	<b>-13.60</b>	879.80	879.80	844.50	853.00
Apr-12	<b>-15.70</b>	875.00	886.90	858.00	865.70

**Volumes and OI in Lots**

Contract	Volume	Change	OI	Change
Feb-12	5	-20	52	-12
Mar-12	2	-20	10	-19
Apr-12	8,549	-805	8320	-1126

**Volumes and OI in Lots**

Contract	Volume	Change	OI	Change
Mar-12	1029	-352	824	-169
Apr-12	1863	-434	990	-230

Spread	Feb-12	Mar-12	Apr-12
Basis	-35.1	-	-
Feb-12		20.9	24.4
Mar-12			3.5

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

Spread	Mar-12	Apr-12
Basis	-53	-
Mar-12		12.7
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
Mar-12	<b>-0.84</b>	17850	17940	17720	17740
Apr-12	<b>-0.71</b>	18230	18280	18080	18090
May-12	<b>-0.43</b>	18550	18640	18470	18480

**Cotton Prices at Key Spot Markets**

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	02-02-12	01-02-12	
Kadi – Bt Cotton	4325-4575	4375-4625	-50
Amravati – Vunni Mech-1	4050-4075	4125	-50
Ahmedabad – Shankar-6	4400-4500	4425-4500	Unch
Abhor – J-34	3820	3835	-15
Muktsar – J-34	3820	3835	-15

**Cotton Arrivals in Key Centers**

Centre (1 bale = 170 Kg)	Arrivals		Change
	02-02-12	01-02-12	
Kadi –Bt Cotton (truck)	450	350	+100
Amravati –Vunni Mech-1 (bales)	5000	4000	+1000
Ahmedabad – Shankar-6	60000	60000	Unch
Abohar (bales)	700	600	+100
Muktsar (bales)	300	200	+100

**Cotton Association of India Spot Rates: As on 01/02/2012**

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	33300
H-4/ MECH-1	28mm	3.5 - 4.9	25	35000
Shankar-6	29mm	3.5 - 4.9	26	36300
Bunny/ Brahma	31mm	3.5 - 4.9	27	36200
MCU-5/ Surabhi	33mm	3.3 - 4.5	28	38100
DCH-32	35mm	2.8 - 3.6	31	48500

**Cotlook Index: As on 01/02/2012**

Cotlook Indices	Cents/Pound	Change
A-Index	101.25	-0.10

**China Cotton Index: As on 2/02/2012**

Index	RMB/Ton	Change
CCIndex(328)	19338	6
CCIndex(527)	16740	9
CCIndex(229)	20561	22

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

**USDA Cotton Spot Rates: As on 01/02/2012**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	87.39	89.14	Nil
North Delta	86.89	87.89	NIL
South Delta	86.89	87.89	NIL
East TX-OK	82.25	87.00	1874
West Texas	82.50	88.00	1030
Desert SW	86.89	92.64	NIL
SJ Valley	87.89	98.29	200

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 01/02/2012**

Contract	Open	High	Low	Close	Change
Mar-12	93.56	94.21	93.20	93.39	+0.14
May-12	94.50	95.52	94.44	94.79	+0.28
Jul-12	96.25	96.55	95.75	95.98	+0.37
Oct-12	95.81	95.81	95.81	95.81	+0.65
Dec-12	93.80	94.52	93.80	94.47	+0.94
Mar 13	94.51	95.32	94.51	95.32	+0.99

**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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