

**Cotton Domestic Fundamentals:**

Cotton prices advanced in spot market on Monday due to rising export demand. In Gujarat, Farmers are bringing fresh crop in market consciously as they remain expect higher prices. However, the arrivals in Ahmadabad stood unchanged to 60000 bales like a day ago. Besides, arrivals increased in all the key markets. Sources said that one of the spinning group has purchased cotton in a bulk order which affect to the cotton prices. Overall sentiment remained steady to firm on firm domestic and export demand.

The demand for micronair value of 3.5 to 4.9 is expected to sell in better prices compare to lower micron air value said by the Cotton association of India.

**Cotton International Fundamentals**

The International Cotton Advisory Committee projected cotton mill use to 23.73 down by 3% in 2011/12 from previous year (2010/11) to 24.45 million tonnes in front of higher production at 26.78 million tonnes in 2011/12. Resultantly, cotton stocks will increase to 12.3 million tonnes in 2011/12 as revealed in the monthly report of ICAC. However, increasing export demand may boost up global cotton prices. ICAC has given export figure to 7.68 million tonnes in 2011/12 and further projected at 8.24 million tonnes in 2012/13.

**Outlook: Domestic and International**

Cotton prices are expected to remain range bound with slightly firm tone due to decreasing new crop arrival as producers are releasing stocks slowly in the market as they are in anticipation of higher prices further.

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

Contract	+/-	Open	High	Low	Close
Feb-12	16.40	881.40	901.70	881.40	893.4
Mar-12	17.50	904.00	908.00	893.00	908.0
Apr-12	14.60	901.00	921.90	901.00	910.0

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

Contract	+/-	Open	High	Low	Close
Mar-12	13.10	894.00	905.00	885.10	895.5
Apr-12	15.60	905.00	925.40	905.00	915.4

**Volumes and OI in Lots**

Contract	Volume	Change	OI	Change
Feb-12	16	13	57	0
Mar-12	5	1	10	2
Apr-12	7596	2969	8099	19

**Volumes and OI in Lots**

Contract	Volume	Change	OI	Change
Mar-12	807	291	735	-23
Apr-12	1633	668	878	38

Spread	Feb-12	Mar-12	Apr-12
Basis	3.6		
Feb-12		14.6	
Mar-12			2

**NB:** Spread was done by taking avg spot prices at Ahmedabad market for Shankar cotton.

Spread	Mar-12	Apr-12
Basis	1.5	
Mar-12		19.9

**NB:** Spread was done by taking avg spot prices at Ahmedabad market for Shankar cotton.

Contract	% Change	Open	High	Low	Close
Jan-12	2.27	18200	18580	18130	18490
Mar-12	2.29	18500	18860	18500	18800
Apr-12	1.97	18940	19200	18940	19120
May-12	2.27	18200	18580	18130	18490

**Cotton Prices at Key Spot Markets**

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	06-02-12	04-02-12	
Kadi – Bt Cotton	4250-4625	4325-4600	+25
Amravati – Vunni Mech-1	4100	4100	Unch
Ahmedabad – Shankar-6	4450-4525	4425-4500	+25
Abhor – J-34	3880	3840	+40
Muktsar – J-34	3880	3840	+40

**Cotton Arrivals in Key Centers**

Centre (1 bale = 170 Kg)	Arrivals		Change
	06-02-12	04-02-12	
Kadi –Bt Cotton (truck)	400	250	+150
Amravati –Vunni Mech-1 (bales)	5000	4000	+1000
Ahmedabad – Shankar-6	60000	60000	Unch
Abohar (bales)	800	600	+200
Muktsar (bales)	300	200	+100

**Cotton Association of India Spot Rates: As on 4/02/2012**

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	33900
H-4/ MECH-1	28mm	3.5 - 4.9	25	35200
Shankar-6	29mm	3.5 - 4.9	26	36500
Bunny/ Brahma	31mm	3.5 - 4.9	27	36400
MCU-5/ Surabhi	33mm	3.3 - 4.5	28	38300
DCH-32	35mm	2.8 - 3.6	31	48300

**Cotlook Index: As on 3/02/2012**

Cotlook Indices	Cents/Pound	Change
A-Index	101.90	+0.45

**China Cotton Index: As on 6/02/2012**

Index	RMB/Ton	Change
CCIndex(328)	19389	+36
CCIndex(527)	16771	+18
CCIndex(229)	20605	+35s

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

**USDA Cotton Spot Rates: As on 3/02/2012**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	90.59	92.34	2005
North Delta	90.09	91.09	473
South Delta	90.09	91.09	428
East TX-OK	85.50	90.25	371
West Texas	85.75	91.25	3893
Desert SW	89.59	95.34	688
SJ Valley	90.84	101.24	50

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 3/02/2012**

Contract	Open	High	Low	Close	Change
Mar-12	95	97.86	94.12	96.34	2.13
May-12	95.9	98.56	95.51	97.48	1.99
Jul-12	97.29	98.85	96.79	98.45	1.89
Oct-12	98	98	98	98	1.61
Dec-12	95	96.9	94.75	96.38	1.32
Mar 13	96.36	97.56	96.36	97.56	1.39

**Pakistan Cotton Spot rates: As on 03/02/2012 (in Pakistan Rupees)**

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5700	130	5830
Equivalent	40 Kgs	6109	130	6239

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