

**Cotton Domestic Fundamentals:**

- The cotton prices continued weak tone in major spot markets on Saturday.
- Increase in global stocks of cotton according to USDA weighed on the market.
- Arrivals were lower in major mandis except Abohar and Fajlika where arrivals were slightly higher.
- Buyers are expecting further decline in prices in near -term
- Reports of slowdown in industrial output in China added to the weak tone of the market.
- Demand remained lower from the mills and the exporters around current price levels.
- Exporters can apply another RC after executing at least 50% of quantity of exports mentioned in the first Rc as per the instruction given by DGFT.
- The Cotton Yarn production is likely to rise 12% to 3,500 million kgs in 2012/13.

**Cotton International Fundamentals**

- China According to International Cotton Advisory committee, cotton trade is likely to increase by 13% to 8.6 MT in 2011/12 after a record import by China which account for 50% of global import in the current season.
- According to U.S. Agriculture Department's monthly crop report, world 2012/13 cotton ending stocks is estimated at a record 73.75 million (480-lb) bales, up over 10 percent from the 2011/12 level. A total of 28.05 million bales is in China, accounting formerly 40 percent of total world supplies.

**Outlook: Domestic and International**

Cotton prices are likely to continue weak tone in near –term.

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

Contract	+/-	Open	High	Low	Close
Feb-13					
Apr-13	-26.5	997.00	1004.00	983.50	997.5

**Volumes and OI in Lots**

Contract	Volume	Change	OI	Change
Feb-13				
Apr-13	1567	21	1210	-193

**Spread Feb-13 Apr-13**

Basis -187.50

Feb-13

April-13

**NB:** Spread was done by taking avg spot prices at Ahmedabad – Shankar-6 market. Basis = Spot- April

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

Contract	+/-	Open	High	Low	Close
Apr-13	-	-	-	-	-

**Volumes and OI lots**

Contract	Volume	Change	OI	Change
Apr-13	-	-	-	-

**Spread April-13**

Basis

Apr-13

**NB:** Spread was done by taking avg spot prices at Ahmedabad – Shankar-6 market Basis = Spot - April

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

Contract	% Change	Open	High	Low	Close
31-May-12	-0.6	16320	16790	16320	16620
29-Jun-12	-0.76	16710	17210	16710	17000
31-Jul-12	-0.46	17200	17600	17200	17420
31-Aug-12	-0.39	17820	17950	17800	17850

**Cotton Prices at Key Spot Markets**

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	12-5-2012	11-5-2012	
Kadi-Bt Cotton#	3800-4250	3900-4250	Unch
Amravati-Vunni Mech-1#	4050	4085-4100	-50
Ahmedabad-Shankar-6#	-	-	-
Abohar-J-34*	3670	3770	-100
Muktsar-J-34*	3670	3770	-100
Fajlika#	4150	3750-4190	-40
Khandwa#	3400-4000	3400-4050	-50

\*-Rs/maund, #-Rs.qtl

**Cotton Arrivals in Key Centers**

Centre (1 bale = 170 Kg)	Arrivals		Change
	12-5-2012	11-5-2012	
Kadi -Bt Cotton	100	150	-50
Amravati -Vunni Mech-1	2000	3000	-1000
Ahmedabad - Shankar-6	-	-	-
Abohar	300	100	+200
Muktsar	-	-	-
Fajlika	80	50	+30
Khandwa	1200	1700	-500

Khandwa, Kadi, Fajlika-1 Truck-100 Qtls, Amravati-1 Truck-100 kgs, Ahmadabad, Abohar and Muktsar-Bales

**Cotton Association of India Spot Rates: 05/5/2012**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (05/5/2012)	Rs. Per Candy (04/5/2012)	Change
Bengal Deshi (RG)/ Assam Comilla	Below 22mm	5.0 - 7.0	15	34600	34400	+200
Bengal Deshi (SG)	Below 22mm	5.0 - 7.0	15	35800	35500	+300
J-34	25mm	3.5 - 4.9	23	32700	32300	+400
H-4/ MECH-1	28mm	3.5 - 4.9	25	34100	34000	+100
Shankar-6	29mm	3.5 - 4.9	26	35700	35500	+200
Bunny/ Brahma	31mm	3.5 - 4.9	27	36500	36500	Unch
MCU-5/ Surabhi	33mm	3.3 - 4.5	28	N.Q	N.Q	-
DCH-32	35mm	2.8 - 3.6	31	48000	47500	+500

**Cotlook Index: As on 11/5/2012**

Cotlook Indices	Cents/Pound	Change
A-Index	89.55	-3.80

**China Cotton Index: As on 11/5/2012**

Index	RMB/Ton	Change
CCIndex(328)	19294	-19
CCIndex(527)	16743	-49
CCIndex(229)	20500	-13

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

**USDA Cotton Spot Rates: As on 10/5/2012**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	76.07	79.07	NIL
North Delta	75.32	76.32	NIL
South Delta	75.32	76.32	NIL
East TX-OK	73.50	78.50	NIL
West Texas	73.75	80.00	886
Desert SW	73.07	79.57	NIL
SJ Valley	73.82	84.22	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 11/5/2012**

Contract	Open	High	Low	Close	Change
Jul-12	81.5	81.76	77.16	78.97	-2.85
Oct-12	79.14	80.13	78.48	78.48	-3.12
Dec-12	78.87	79.17	74.46	76.34	-3.03
Mar-13	79.88	79.88	76.03	77.58	-2.98
May-13	80.79	80.79	77.43	78.71	-2.84
Jul-13	81.54	81.54	78.09	79.55	-2.8

**Pakistan Cotton Spot rates: As on 10/5/2012 (in Pakistan Rupees)**

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6200	130	6330
Equivalent	40 Kgs	6645	130	6775

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