

## Cotton Domestic Fundamentals:

- Steady to weak tone witnessed in the cotton spot markets on Saturday.
- Subdued domestic demand could not support to the cotton prices.
- However, arrivals were registered higher in Amravati market as farmers are keen to release their cotton crops at the current market price in fear of lower cotton prices further.
- While in Kandwa and Kadi market, crops arrived lower against previous day as stocks are depleting there.
- The farmers in Maharashtra are likely to adopt "Brazil Pattern" for rising cotton yield in rain fed areas from the current cotton yield 475 kg/hectare to 600 kg/hectare. Brazilians farmers receive cotton crops about 1,495 kg/hectare in rain-fed areas because of better mechanization.
- As per trade source, both millers and exporters are inactive in Sri-Ganaganagar. Arrivals are also null. Farmers have sown 40% cotton crops in water availability areas as on date. However, they could shift about 20 to 25% of cotton area towards Guar on attractive returns.

## Cotton International Fundamentals

- As per ICAC forecast, cotton prices are weak on global phase in anticipation of higher ending stock to 14.46 million tons against previous year record 13.26 million tons despite a lower forecast of cotton production to 25.10 million tons in 2012/13.

## Outlook: Domestic and International

We expect domestic cotton price to continue bearish phase amid poor millers buying activities.

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

Contract	+/-	Open	High	Low	Close
Feb-13	-9	920.5	925	905.5	922
Apr-13	-4	931	934.5	910	929

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	23	0	38	-7
Apr-13	1,527	601	1342	-56

Spread	Feb-13	Apr-13
Basis	-184.5	
Feb-13		7.00
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	-	-	-	-	-
29-Jun-12	-	-	-	-	-
31-Jul-12	-	-	-	-	-
31-Aug-12	-	-	-	-	-

\*No data Available

**Cotton Prices at Key Spot Markets**

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	2-6-2012	1-6-2012	
Kadi-Bt Cotton#	3500-4000	3750-4050	-50
Amravati-Vunni Mech-1#	3725-3750	3725-3750	Unch
Ahmedabad-Shankar-6#	3500-3875	3750-3900	-100
Gondal	2000-3995	-	-
Rajkot	3400-4000	-	-
Abohar-J-34*	-	3525	-
Muktsar-J-34*	-	3525	-
Fajlika#	3650-4050	3650-4050	Unch
Khandwa	3200-3700	3200-3700	Unch
Sri-Ganganagar	3250-3400	3250-3410	-10

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

**Cotton Arrivals in Key Centers**

Centre (1 bale = 170 Kg)	Arrivals		Change
	2-6-2012	1-6-2012	
Kadi -Bt Cotton	20	50	-30
Amravati -Vunni Mech-1`	4500	3000	+1500
Ahmedabad - Shankar-6	15000	15000	Unch
Gondal	530	-	-
Rajkot	2800	-	-
Abohar	-	300	-
Muktsar	-	50	-
Fajlika	500	500	Unch
Khandwa	300	400	-100
Sri-Ganganagar	-	-	-

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

**Cotton Association of India Spot Rates: 1/6/2012**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (1/6/2012)	Rs. Per Candy (31/5/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	34400	34400	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	35500	35500	Unch
J-34(202)	26mm	3.5 - 4.9	23	30300	30300	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	31900	31900	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	32800	33000	-200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	35100	35100	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	36000	36000	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	47000	47000	Unch

## Cotlook Index: As on 1/6/2012

Cotlook Indices	Cents/Pound	Change
A-Index	81.80	+0.25

## China Cotton Index: As on 1/6/2012

Index	RMB/Ton	Change
CCIndex(328)	18712	-19
CCIndex(527)	16359	-20
CCIndex(229)	19962	-8

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

## USDA Cotton Spot Rates: As on 1/6/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	65.59	68.59	NIL
North Delta	64.59	65.59	NIL
South Delta	64.59	65.59	NIL
East TX-OK	60.00	65.00	58
West Texas	60.25	66.50	87
Desert SW	60.34	66.84	NIL
SJ Valley	61.09	71.74	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 1/6/2012

Contract	Open	High	Low	Close	Change
Jul-12	71.73	71.85	68.55	68.59	-2.96
Oct-12	70.35	70.35	68.85	68.85	-3.00
Dec-12	70.35	70.49	67.35	67.61	-2.74
Mar-13	72.50	72.50	69.42	69.83	-2.59
May-13	72.61	72.61	71.04	71.04	-2.92
Jul-13	72.56	72.56	72.56	72.56	-2.90

## Pakistan Cotton Spot rates: As on 1/6/2012 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5600	130	5730
Equivalent	40 Kgs	6002	130	6132

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