

Cotton Domestic Fundamentals:

- Mixed tone continued in the cotton spot markets on Tuesday amid patchy demand.
- Arrivals declined almost in all the markets.
- Around 12000 bales cotton were bought by millers and exporters from Gujarat yesterday.
- However, ginneries are not willing to sell cotton due to delay in monsoon rain and weight loss while spinners are asking for cotton to buy at the prevailing rates which is weighing on the cotton prices.
- As per IMD, Southwest Monsoon has further advanced into most parts of Maharashtra and some more parts of Madhya Pradesh and further it may advance over some parts of Gujarat, Madhya Pradesh and Uttar Pradesh and some parts of Uttarakhand during next 3 days which will affect on cotton sowing.

Cotton International Fundamentals

- China may reduce its cotton import almost half to 2.7 million tons in 2012/13 against a record import i.e. 5.1 million tons in 2011/12.

Outlook: Domestic and International

We expect domestic cotton price to trade on bullish phase.

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

Contract	+/-	Open	High	Low	Close
Feb-13	6	999	1012	998	1011
Apr-13	8	1014	1024	1005	1022

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

Contract	+/-	Open	High	Low	Close
Feb-13	4.7	1007.1	1015	1007.1	1015
Apr-13	9.9	1006.5	1020.1	1004.1	1020.1

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	36	25	47	0
Apr-13	2,706	-3	2896	123

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	3	-1	18	0
Apr-13	44	-33	95	2

Spread	Feb-13	Apr-13
Basis	-198.5	
Feb-13		11.00
April-13		

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

Spread	Feb-13	Apr-13
Basis	-202.5	
Apr-13		5.10

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-Jul-12	0.66	16620	16690	16550	16680
31-Aug-12	0.71	17020	17050	16920	17050
31-Oct-12	0.11	17530	17540	17450	17500
30-Nov-12	-0.52	17240	17240	17050	17100
31-Dec-12	-0.23	17180	17180	17180	17180

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	3-7-2012	2-7-2012	
Amravati-Vunni Mech-1#	4300	4300	Unch
Kadi-Bt Cotton#	4100-4400	4250-4500	-100
Ahmedabad-Shankar-6#	3875-4250	3875-4300	-50
Gondal	-	-	-
Rajkot-(B.T)	3850-4280	3875-4295	-15
Abohar-J-34*	3600	3525	+75
Muktsar-J-34*	3600	3525	+75
Fajlika#	3600	3600	Unch
Khandwa M.P.	-	-	-
Patan-(B.T)	4300-4350	4300-4350	Unch
Sri-Ganganagar	3510	3510-3515	-5

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	3-7-2012	2-7-2012	
Amravati -Vunni Mech-1`	1000	2000	-1000
Kadi -Bt Cotton	50	100	-50
Ahmedabad - Shankar-6	15000	20000	-5000
Gondal	-	-	-
Rajkot-(B.T)	800	800	Unch
Abohar	-	10	-
Muktsar	-	-	-
Fajlika	-	-	-
Khandwa M.P.	-	-	-
Patan-(B.T)	-	-	-
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: 2/7/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (2/7/2012)	Rs. Per Candy (29/6/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	39000	37700	+1300
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40300	39000	+1300
J-34(202)	26mm	3.5 - 4.9	23	32700	32200	+500
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33700	33700	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	33700	34500	-800
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	37000	36100	+900
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	38000	37500	+500
DCH-32(107)	34mm	3.0 - 3.8	33	50000	47200	+2800

Cotlook Index: As on 2/7/2012

Cotlook Indices	Cents/Pound	Change
A-Index	82.50	+1.75

China Cotton Index: As on 3/7/2012

Index	RMB/Ton	Change
CCIndex(328)	18156	-2
CCIndex(527)	15829	-2
CCIndex(229)	19319	+12

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

USDA Cotton Spot Rates: As on 2/7/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	71.80	74.80	NIL
North Delta	70.55	71.55	6
South Delta	70.55	71.55	NIL
East TX-OK	62.75	67.75	NIL
West Texas	63.00	69.25	452
Desert SW	68.55	75.05	NIL
SJ Valley	69.30	79.95	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 2/7/2012

Contract	Open	High	Low	Close	Change
Jul-12	72.15	72.15	72.15	72.15	-0.01
Oct-12	71.76	72.43	70.8	72.3	0.73
Dec-12	71.21	72.18	69.97	72.02	0.69
Mar-12	72.09	73.31	71.38	73.19	0.68
May-12	73.44	74.3	72.41	74.22	0.67
Jul-12	74.3	75.23	73.35	75.13	0.86

Pakistan Cotton Spot rates: As on 2/7/2012 (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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