

Cotton Domestic Fundamentals:

- The cotton prices surged amid robust spinners demand on Wednesday.
- No arrivals found in most of the markets while in Ahmedabad and Rajkot less arrival have been recorded except Amravati which reported higher arrivals.
- Rain has been reported in some parts of Andhra Pradesh and Karnataka which will help cotton farmers to sow cotton.
- Carded Yarn demand was good which led a support to cotton yarn prices.
- According to traders, polyester prices are likely to decline further due to recent strength in Rs.
- Cotton Yarn prices are likely to increase in anticipation of textiles millers demand.

Cotton International Fundamentals

- ICE futures are advancing on worries that sweltering weather across the US could damage crops.
- 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 trade on bullish phase.

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

Contract	+/-	Open	High	Low	Close
Feb-13	19.5	1015.5	1025	1005.5	1024.5
Apr-13	12	1020	1035	1014	1031.5

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

Contract	+/-	Open	High	Low	Close
Feb-13	14.3	1014	1025	1012.1	1025
Apr-13	14.6	1015	1031	1013	1029

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	26	-10	47	0
Apr-13	4,062	1356	3491	595

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	8	5	17	-1
Apr-13	94	50	112	17

Spread	Feb-13	Apr-13
Basis	-207	

Spread	Feb-13	Apr-13
Basis	7.00	
Apr-13		4.00

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

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Basis	-207.5	
Apr-13		4.00

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

Contract	% Change	Open	High	Low	Close
31-Jul-12	-0.18	16660	16660	16580	16600
31-Aug-12	-0.18	17030	17030	16950	16960
31-Oct-12	-0.34	17470	17510	17390	17420
30-Nov-12	0.12	17070	17130	16940	17090
31-Dec-12	-0.17	17200	17200	17150	17150

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	4-7-2012	3-7-2012	
Amravati-Vunni Mech-1#	4325	4300	+25
Kadi-Bt Cotton#	4100-4500	4100-4400	+100
Ahmedabad-Shankar-6#	3875-4300	3875-4250	+50
Gondal	-	-	-
Rajkot-(B.T)	3825-4310	3850-4280	+30
Abohar-J-34*	3650	3600	+50
Muktsar-J-34*	3650	3600	+50
Fajlika#	3625	3600	+25
Khandwa M.P.	-	-	-
Patan-(B.T)	4300-4350	4300-4350	Unch
Sri-Ganganagar	3540	3510	+30

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	4-7-2012	3-7-2012	
Amravati -Vunni Mech-1`	1500	1000	+500
Kadi -Bt Cotton	50	50	Unch
Ahmedabad - Shankar-6	12000	15000	-3000
Gondal	-	-	-
Rajkot-(B.T)	720	800	-80
Abohar	50	-	-
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: 3/7/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (3/7/2012)	Rs. Per Candy (2/7/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	39700	39000	+700
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41000	40300	+700
J-34(202)	26mm	3.5 - 4.9	23	33000	32700	+300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	34000	33700	+300
Shankar-6(105)	29mm	3.5 - 4.9	28	34500	33700	+800
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	37300	37000	+300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	38500	38000	+500
DCH-32(107)	34mm	3.0 - 3.8	33	50000	50000	Unch

Cotlook Index: As on 3/7/2012

Cotlook Indices	Cents/Pound	Change
A-Index	83.05	+0.55

China Cotton Index: As on 4/7/2012

Index	RMB/Ton	Change
CCIndex(328)	18156	NIL
CCIndex(527)	15827	-2
CCIndex(229)	19321	+2

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

USDA Cotton Spot Rates: As on 3/7/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	72.40	75.40	NIL
North Delta	71.15	72.15	NIL
South Delta	71.15	72.15	NIL
East TX-OK	62.75	67.75	NIL
West Texas	63.00	69.25	830
Desert SW	69.15	75.65	NIL
SJ Valley	69.90	80.55	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 3/7/2012

Contract	Open	High	Low	Close	Change
Jul-12	72.75	72.75	72.75	72.75	0.6
Oct-12	72.43	72.94	72	72.9	0.6
Dec-12	72.1	72.65	71	72.6	0.58
Mar-12	73.31	73.85	72.25	73.79	0.6
May-12	74.4	74.7	73.48	74.63	0.41
Jul-12	75.04	75.56	74.24	75.56	0.43

Pakistan Cotton Spot rates: As on 3/7/2012 (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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