

Cotton Domestic Fundamentals:

- Mixed tone witnessed in the cotton spot markets on Saturday amid patchy demand.
- Arrivals declined in all the markets.
- As per IMD, the southwest Monsoon has further advanced into some more parts of North Arabian Sea, Gujarat, Rajasthan, Haryana including Delhi, Punjab, and remaining parts of Uttar Pradesh and conditions are favorable for further advance of Southwest Monsoon into some more parts of Gujarat, Rajasthan, Haryana and Punjab during next 2-3 days. Heavy rainfall would occur at one or two places over Himanchal Pradesh, Uttarakhand, Uttar Pradesh, Madhya Pradesh, Chhattisgarh, Bihar, Jharkhand, Orissa, Sub-Himalayan West Bengal & Sikkim, Assam & Meghalaya and Arunachal Pradesh during next 48 hrs.
- Advancing Monsoon may increase cotton sowing in its respective area.
- Cotton Yarn prices are likely to increase in anticipation of textiles millers demand.

Cotton International Fundamentals

- ICE future increased yesterday amid buying supports. Importers are asking for U.S cotton which is supporting prices to increase.

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	0	1012	1020	1012	1020
Apr-13	4.5	1022.5	1033.5	1018	1029

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	4	-9	40	-2
Apr-13	1,629	-1302	3621	0

Spread

	Feb-13	Apr-13
Basis	-215	
Feb-13		9.00
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
Feb-13	2.3	1024.4	1024.4	1017	1020.2
Apr-13	3.9	1018	1026	1017.9	1024.4

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	8	-48	13	0
Apr-13	48	-59	159	30

Spread

	Feb-13	Apr-13
Basis	-215.2	
Apr-13		4.20

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
29-Jun-12	1.14	16670	16900	16660	16900
31-Jul-12	1.12	16980	17220	16980	17220
31-Aug-12	0.64	17260	17450	17250	17410
31-Nov-12	0.71	16950	17110	16940	17100
31-Dec-12	0.35	16950	17110	16950	17110

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	7-7-2012	6-7-2012	
Amravati-Vunni Mech-1#	4400	4400	Unch
Kadi-Bt Cotton#	4300-4550	4050-4525	+25
Ahmedabad-Shankar-6#	3750-4300	3750-4250	+50
Gondal	3000-4475	-	-
Rajkot-(B.T)	3850-4350	3800-4300	+50
Abohar-J-34*	3580	3600	-20
Muktsar-J-34*	3580	3600	-20
Fajlika#	3570	3570	Unch
Khandwa M.P.	3300-3700	3300-3700	Unch
Patan-(B.T)	4050-4100	4300-4350	-250
Sri-Ganganagar	3560	3560	Unch

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	7-7-2012	6-7-2012	
Amravati -Vunni Mech-1`	1000	2000	-1000
Kadi -Bt Cotton	50	80	-30
Ahmedabad - Shankar-6	12000	12000	Unch
Gondal	490	-	-
Rajkot-(B.T)	550	780	-230
Abohar	-	-	-
Muktsar	-	-	-
Fajlika	-	-	-
Khandwa M.P.	-	-	-

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

Cotton Association of India Spot Rates: 6/7/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (6/7/2012)	Rs. Per Candy (5/7/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	40500	40300	+200
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41800	41600	+200
J-34(202)	26mm	3.5 - 4.9	23	32700	32900	-200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	34500	34500	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	34500	34500	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	37500	37500	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	38700	38700	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	50000	50000	Unch

Cotlook Index: As on 6/7/2012

Cotlook Indices	Cents/Pound	Change
A-Index	83.25	-1.30

China Cotton Index: As on 6/7/2012

Index	RMB/Ton	Change
CCIndex(328)	18159	NIL
CCIndex(527)	15829	+1
CCIndex(229)	19320	-1

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

USDA Cotton Spot Rates: As on 6/7/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	68.53	71.53	930
North Delta	67.28	68.28	569
South Delta	67.28	68.28	NIL
East TX-OK	60.75	65.75	788
West Texas	61.00	67.25	81
Desert SW	65.78	72.28	NIL
SJ Valley	66.53	77.18	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 6/7/2012

Contract	Open	High	Low	Close	Change
Jul-12	71.86	71.86	70.78	70.78	-0.14
Oct-12	71.50	71.59	70.05	70.53	-0.24
Dec-12	71.00	71.88	70.03	70.62	+0.04
Mar-12	72.79	72.99	71.35	71.90	-0.01
May-12	73.95	73.95	72.54	72.99	+0.02
Jul-12	73.80	74.26	73.59	73.97	+0.09

Pakistan Cotton Spot rates: As on 6/7/2012 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6100	130	6230
Equivalent	40 Kgs	6537	130	6667

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