

Cotton Domestic Fundamentals:

- Mixed tone witnessed in the cotton spot markets on Wednesday amid average local demand.
- Arrivals were also registered in mixed phase in the markets.
- As per Ministry of agriculture latest released Data, the cotton sowing area have been covered so far in Andhra Pradesh (9.04 Lakh hec.) Haryana (5.38 lakh hec.) , Karnataka (1.52 lakh hec). Maharashtra (14.97 lakh hec.) Orissa (0.53 lakh hec) and Uttar Pradesh (0.3 lakh hec) Gujarat (5.38 lakh hec.), Madhya Pradesh (1.71 lakh hec), Punjab (5.16 lakh hec) , Rajasthan (2.8 lakh hec) and Tamil Nadu (0.053 lakh hec).According to textile commissioner, Cotton Plant requires total 90 days to develop well. If Monsoon is delay further, cotton farmers is likely to switch to short duration crops reducing cotton area in 2012/13.
- Yarn buyers were seen less interested to buy cotton yarn on higher prices despite cotton yarn prices increased due to low supplies. Export offer of 30 count combed cotton yarn were placed at 3.60 dollar per kg CNF. Domestic offer price of 30 count combed cotton yarn placed at Rs 195-196 per kg, 30 count carded cotton yarn at Rs 185-186 per kg and 30 count single PC yarn at 185-186 per kg.

Cotton International Fundamentals

- According to market source, China's cotton imports in June totaled 476,000 metric tons, up from 120,000 tons during the same month a year earlier however China's June imports fell 5.2% from May.

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	-8	1044	1053	1035	1041
Apr-13	-6	1061	1061	1042.5	1051

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

Contract	+/-	Open	High	Low	Close
Feb-13	-7.1	1044	1049.5	1034.3	1037.1
Apr-13	-8.1	1046.7	1051	1035.8	1041.2

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	41	29	52	10
Apr-13	3,537	-1232	3999	-261

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	33	-67	36	11
Apr-13	91	-126	269	1

Spread	Feb-13	Apr-13
Basis	-178.5	
Feb-13		10.00
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	-174.6	
Apr-13		4.10

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	-1.15	17300	17400	17080	17160
31-Aug-12	-1.36	17520	17640	17290	17350
31-Oct-12	-1.26	17480	17540	17200	17290
30-Nov-12	-1.39	17160	17170	16910	16970
31-Dec-12	-1.05	17130	17130	16930	16990

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	11-7-2012	10-7-2012	
Amravati-Vunni Mech-1#	4500-4600	4500	+100
Kadi-Bt Cotton#	4500-4700	4350-4650	+50
Ahmedabad-Shankar-6#	4125-4500	4125-4500	Unch
Gondal	3000-4500	3000-4550	-50
Rajkot-(B.T)	3975-4575	4000-4605	-30
Abohar-J-34*	3700	3630	+70
Muktsar-J-34*	3700	3630	+70
Fajlika#	3600	3580	+20
Khandwa M.P.	3300-3700	3300-3700	Unch
Patan-(B.T)	4500-5000	4050-4100	+900
Sri-Ganganagar	3525	3530	-5

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	11-7-2012	10-7-2012	
Amravati -Vunni Mech-1`	2000	1500	+500
Kadi -Bt Cotton	50	50	Unch
Ahmedabad - Shankar-6	9000	15000	-6000
Gondal	800	640	+160
Rajkot-(B.T)	705	500	+205
Abohar	-	60	-
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: 10/7/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (10/7/2012)	Rs. Per Candy (9/7/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	41700	41000	+700
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	43000	42300	+700
J-34(202)	26mm	3.5 - 4.9	23	33000	32900	+100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	34800	34600	+200
Shankar-6(105)	29mm	3.5 - 4.9	28	35300	35100	+200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	37900	37700	+200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	39100	38900	+200
DCH-32(107)	34mm	3.0 - 3.8	33	51300	51000	+300

Cotlook Index: As on 10/7/2012

Cotlook Indices	Cents/Pound	Change
A-Index	80.55	-1.00

China Cotton Index: As on 11/7/2012

Index	RMB/Ton	Change
CCIndex(328)	18189	+18
CCIndex(527)	15857	+11
CCIndex(229)	19339	+14

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

USDA Cotton Spot Rates: As on 10/7/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	67.82	70.82	160
North Delta	66.82	67.82	248
South Delta	66.82	67.82	NIL
East TX-OK	60.75	65.75	66
West Texas	61.00	67.25	639
Desert SW	65.32	71.82	NIL
SJ Valley	66.07	76.72	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 10/7/2012

Contract	Open	High	Low	Close	Change
Oct-12	70.72	71.21	70.07	70.07	-0.3
Dec-12	71	71.9	70.57	70.72	0.03
Mar-12	72.11	73.07	71.79	71.99	0.01
May-12	73.89	74	72.9	73.04	-0.05
Jul-12	74.95	74.95	73.89	73.93	-0.23
Oct-12	75.47	75.47	75.47	75.47	0.17

Pakistan Cotton Spot rates: As on 10/7/2012 (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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