

## Cotton Domestic Fundamentals:

- Cotton traded unchanged in north India as there was no demand at higher level, while, in South India cotton prices performed on higher side amid good demand and lower supplies on Thursday.
- Cotton sowing is rapidly increasing in its respective belts supported by favourable weather conditions. Farmers are getting sufficient rain water for cotton sowing; as a result the pace of cotton sowing has been registered 28% up to 46.61 till 6th July 2012 as compared to previous week 29th June 2012 i.e. 31.37 as recorded by ministry of agriculture department.
- Cotton yarn traded steady to down on back of lower demand. Export offer of 30 count combed cotton yarn were placed at 3.57 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.
- The volume of monsoon rain in India in the week ended July 11 was 1% above the long-term average, compared with 49% below the average the previous week, as rainfall improved in the central region and parts of the north, the India Meteorological Department said Thursday.

## Cotton International Fundamentals

- USDA projected global cotton ending stocks down by 3 percent on lower beginning stocks & production for 2012/13. World production is declined 1.5 million bales due to decreases for India, Pakistan, and others.

## 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	13.5	1037	1066	1037	1060
Apr-13	13	1048	1074.5	1045	1063.5

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

Contract	+/-	Open	High	Low	Close
Feb-13	2.3	1032.2	1054.7	1032.2	1040.1
Apr-13	10.6	1038	1062.8	1037.8	1052

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	52	11	65	13
Apr-13	5,949	2412	4574	575

### Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	60	27	61	25
Apr-13	175	84	313	44

Spread	Feb-13	Apr-13
Basis	-185	
Feb-13		3.50
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	-165.1	
Apr-13		11.90

**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	1.11	17150	17440	17120	17340
31-Aug-12	1.1	17300	17640	17300	17540
31-Oct-12	0.69	17260	17500	17250	17410
30-Nov-12	0.82	16950	17180	16950	17120
31-Dec-12	0.59	17000	17160	17000	17080

**Cotton Prices at Key Spot Markets**

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	12-7-2012	11-7-2012	
Amravati-Vunni Mech-1#	4625-4650	4500-4600	+50
Kadi-Bt Cotton#	4550-4750	4500-4700	+50
Ahmedabad-Shankar-6#	4250-4500	4125-4500	Unch
Gondal	3000-4480	3000-4500	-20
Rajkot-(B.T)	3925-4525	3975-4575	-50
Abohar-J-34*	3680-3700	3700	Unch
Muktsar-J-34*	3680-3700	3700	Unch
Fajlika#	3670	3600	+70
Khandwa M.P.	3300-3700	3300-3700	Unch
Patan-(B.T)	4500-5000	4500-5000	Unch
Sri-Ganganagar	3520-3525	3525	Unch

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

**Cotton Arrivals in Key Centers**

Centre (1 bale = 170 Kg)	Arrivals		Change
	12-7-2012	11-7-2012	
Amravati -Vunni Mech-1`	1500	2000	-500
Kadi -Bt Cotton	36	50	-14
Ahmedabad - Shankar-6	8000	9000	-1000
Gondal	447	800	-353
Rajkot-(B.T)	630	705	-75
Abohar	-	-	-
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 (11/7/2012)	Rs. Per Candy (10/7/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	41700	41700	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	43000	43000	Unch
J-34(202)	26mm	3.5 - 4.9	23	33200	33000	+200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	34800	34800	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	34900	34900	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	37900	37900	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	39100	39100	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	51300	51300	Unch

**Cotlook Index: As on 11/7/2012**

Cotlook Indices	Cents/Pound	Change
A-Index	83.45	+0.20

**China Cotton Index: As on 12/7/2012**

Index	RMB/Ton	Change
CCIndex(328)	18208	+19
CCIndex(527)	15873	+16
CCIndex(229)	19352	+13

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

**USDA Cotton Spot Rates: As on 11/7/2012**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	68.39	71.39	NIL
North Delta	67.39	68.39	NIL
South Delta	67.39	68.39	NIL
East TX-OK	61.25	66.25	143
West Texas	61.50	67.75	765
Desert SW	65.89	72.39	NIL
SJ Valley	66.64	77.29	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 11/7/2012**

Contract	Open	High	Low	Close	Change
Oct-12	70.46	71.42	69.46	70.64	0.57
Dec-12	70.9	72.45	70.28	71.02	0.3
Mar-13	72.45	73.63	71.51	72.21	0.22
May-13	72.85	74.45	72.4	73.11	0.07
Jul-13	73.83	75.19	73.36	74.03	0.1
Oct-13	75.84	75.84	75.84	75.84	0.37

**Pakistan Cotton Spot rates: As on 11/7/2012 (in Pakistan Rupees)**

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
<b>Cotton</b>	37.32 Kgs	6000	130	6130
<b>Equivalent</b>	40 Kgs	6430	130	6560

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