

## Cotton Domestic Fundamentals:

- Steady to firm tone witnessed in the cotton spot markets due to average local mills demand except Kadi market which closed on lower side on Tuesday.
- Arrivals arrived in the market with mixed pace.
- The government has represented total cotton production for 2011/12 at 35.20 million tonnes in its fourth advance estimates.
- Major cotton growing states like Maharashtra, Gujarat & Andhra Pradesh have covered cotton area higher to 25.11, 8.57, 10.94 lakh hectares respectively as on 13<sup>th</sup> July 2012 against previous year during corresponding period of time as per ministry of agriculture data.
- As per IMD, rainfall occurred at many places over Bihar, Karnataka at a few places over east Uttar Pradesh, Madhya Pradesh and West Bengal & Sikkim and at one or two places over rest parts of the country outside Uttarakhand, Punjab, West Rajasthan, and coastal Tamilnadu where weather remained mainly dry.
- Cotton Yarn prices are likely to increase in anticipation of textiles millers demand.

## 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. World cotton production is forecast at 113.8 million bales, 7 percent below the 2011 record estimate of 122.7 million bales.

## Outlook: Domestic and International

We expect domestic cotton price to trade on steady to bullish phase.

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

Contract	+/-	Open	High	Low	Close
Feb-13	-17.5	1143.5	1143.5	1105	1105.5
Apr-13	-19.5	1140	1152	1108	1120.5

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	62	-1	130	3
Apr-13	10,750	2056	4911	-97

### Spread

	Feb-13	Apr-13
Basis	-118	
Feb-13		15.00
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	-9.5	1137.7	1137.7	1096.3	1107
Apr-13	-12.1	1135	1144.4	1100	1116

### Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	116	47	59	-8
Apr-13	332	131	303	-1

### Spread

	Feb-13	Apr-13
Basis	-119.5	
Apr-13		9.00

**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	-1.32	18180	18470	17890	17940
31-Aug-12	-1.62	18580	18760	18170	18220
31-Oct-12	-1.69	18490	18550	18070	18070
30-Nov-12	-1.95	18050	18100	17550	17560
31-Dec-12	-1.91	18000	18000	17460	17460

**Cotton Prices at Key Spot Markets**

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	17-7-2012	16-7-2012	
Amravati-Vunni Mech-1#	5150	4800	+350
Kadi-Bt Cotton#	4750-5000	4800-5075	-75
Ahmedabad-Shankar-6#	4875-5000	4500-4875	+25
Gondal	2500-5025	3000-5025	Unch
Rajkot-(B.T)	4025-5125	4125-5000	+125
Abohar-J-34*	3800	3750	+50
Muktsar-J-34*	3800	3750	+50
Fajlika#	3825	3725	+100
Khandwa M.P.	-	3400-3800	-
Patan-(B.T)	4400-4500	4400-4500	Unch
Sri-Ganganagar	3780	3650	+130

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

**Cotton Arrivals in Key Centers**

Centre (1 bale = 170 Kg)	Arrivals		Change
	17-7-2012	16-7-2012	
Amravati -Vunni Mech-1`	1000	1000	Unch
Kadi -Bt Cotton	20	50	-30
Ahmedabad - Shankar-6	7000	8000	-1000
Gondal	191	300	-109
Rajkot-(B.T)	711	587	+124
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: 16/7/2012**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (16/7/2012)	Rs. Per Candy (14/7/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	43100	41900	+1200
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	44400	43200	+1200
J-34(202)	26mm	3.5 - 4.9	23	34900	33700	+1200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	36600	35400	+1200
Shankar-6(105)	29mm	3.5 - 4.9	28	36900	35700	+1200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	39800	38600	+1200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	40300	39300	+1000
DCH-32(107)	34mm	3.0 - 3.8	33	52500	51500	+1000

**Cotlook Index: As on 16/7/2012**

Cotlook Indices	Cents/Pound	Change
A-Index	85.70	+2.85

**China Cotton Index: As on 17/7/2012**

Index	RMB/Ton	Change
CCIndex(328)	28240	+8
CCIndex(527)	15913	+4
CCIndex(229)	19367	+3

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

**USDA Cotton Spot Rates: As on 16/7/2012**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	70.05	73.05	NIL
North Delta	69.05	70.05	NIL
South Delta	69.05	70.05	NIL
East TX-OK	63.75	68.75	425
West Texas	64.00	70.25	671
Desert SW	67.55	74.05	NIL
SJ Valley	68.30	78.95	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 16/7/2012**

Contract	Open	High	Low	Close	Change
Oct-12	71.73	72.3	71.42	72.3	0.54
Dec-12	72.5	73.4	72.1	73.3	0.64
Mar-12	74.05	74.3	73.28	74.17	0.4
May-12	74.58	75.06	74.2	74.93	0.37
Jul-12	75.38	76	75.09	75.88	0.52
Oct-12	77.77	77.77	77.77	77.77	0.38

**Pakistan Cotton Spot rates: As on 16/7/2012 (in Pakistan Rupees)**

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

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