

Cotton Domestic Fundamentals:

- Steady to firm tone witnessed in the cotton spot markets except Rajkot market which closed on lower side on Saturday.
- Textile millers' demand against lower stocks weighed on the prices.
- The cotton yield in Maharashtra is likely to decline around 10 to 20% due to delayed in Monsoon.
- The government has represented total cotton production for 2011/12 at 35.20 million tonnes in its fourth advance estimates.
- Gujarat government is likely to announce new textile policy in this week to attract fresh investments in spinning.
- TUFs for textile sector has been extended in the 12th plan with allocation of Rs.15, 886 crore by the Commerce and textile department.
- According to IMD, the Southwest Monsoon has been active over Gangetic West Bengal, Jharkhand, Bihar, East Uttar Pradesh, Chhattisgarh and Telangana during past 24 hours.
- Cotton sowing in Maharashtra has been planted to 37.4 lakh hac. As on 20th July'12 against 36.8 lakh hac cotton area of previous year during corresponding period of time.

Cotton International Fundamentals

- ICE future increased amid improving demand and dry weather conditions in US.

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	5	1123	1140	1123	1130
Apr-13	9	1138	1155	1135	1145

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

Contract	+/-	Open	High	Low	Close
Feb-13	11.2	1115	1135.4	1115	1130
Apr-13	12.7	1130	1145	1124.6	1137.3

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	63	18	121	-3
Apr-13	4,411	-1649	5674	377

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	32	1	64	1
Apr-13	76	-88	343	9

Spread	Feb-13	Apr-13
Basis	-165	
Feb-13		15.00
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	-167.5	
Apr-13		7.30

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	+	18350	18420	18300	18380
31-Aug-12	+	18660	18750	18590	18710
31-Oct-12	+	18480	18640	18460	18600
30-Nov-12	+	17800	18080	17750	18040
31-Dec-12	+	17700	17810	17620	17790

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	21-7-2012	20-7-2012	
Amravati-Vunni Mech-1#	5000	4950-5000	Unch
Kadi-Bt Cotton#	4900-5000	4750-4900	+100
Ahmedabad-Shankar-6#	4750-4900	4750-4875	+25
Gondal	2500-4965	-	-
Rajkot-(B.T)	4200-5020	4175-5055	-35
Abohar-J-34*	3900	3850	+50
Muktsar-J-34*	3900	3850	+50
Fajlika#	3880	3860	+20
Khandwa M.P.	5200	5200	Unch
Patan-(B.T)	4400-4500	4400-4500	Unch
Sri-Ganganagar	3825	3810	+15

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	21-7-2012	20-7-2012	
Amravati -Vunni Mech-1`	500	1000	-500
Kadi -Bt Cotton	25	30	-5
Ahmedabad - Shankar-6	8000	8000	Unch
Gondal	265	-	-
Rajkot-(B.T)	825	840	-15
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: 20/7/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (20/7/2012)	Rs. Per Candy (19/7/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	43300	43300	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	44500	44500	Unch
J-34(202)	26mm	3.5 - 4.9	23	35600	35300	+300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	37200	37200	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	37700	37700	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	40600	40400	+200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	N.Q.	40300	-
DCH-32(107)	34mm	3.0 - 3.8	33	53000	52500	+500

Cotlook Index: As on 20/7/2012

Cotlook Indices	Cents/Pound	Change
A-Index	85.25	+0.60

China Cotton Index: As on 20/7/2012

Index	RMB/Ton	Change
CCIndex(328)	18262	+7
CCIndex(527)	15929	+3
CCIndex(229)	19380	+1

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

USDA Cotton Spot Rates: As on 20/7/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	69.56	72.56	0
North Delta	68.81	69.81	208
South Delta	68.81	69.81	369
East TX-OK	63.50	69.75	172
West Texas	63.50	69.75	672
Desert SW	67.31	73.81	NIL
SJ Valley	68.06	78.71	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 20/7/2012

Contract	Open	High	Low	Close	Change
Oct-12	71.79	72.15	71.54	72.06	0.27
Dec-12	72.51	73.29	72.08	72.94	0.31
Mar-12	73.70	73.81	72.76	73.47	0.14
May-12	74.20	74.48	73.46	74.17	0.12
Jul-12	75.07	75.29	74.26	74.92	Unch
Oct-12	76.88	76.88	76.88	76.88	-0.21

Pakistan Cotton Spot rates: As on 20/7/2012 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5800	130	5930
Equivalent	40 Kgs	6216	130	6346

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