

Cotton Domestic Fundamentals:

- Steady to weak tone witnessed in the cotton sport market due to average demand.
- Limited stocks at few destinations seen the markets.
- Total arrival in India has been reported around 12000 bales as on date.
- The cotton yield in Maharashtra is likely to decline around 10 to 20% due to delayed in Mansoon.
- As per PIB, India has covered total 83.2 lakh hectares of cotton sowing as on 20th July 2012.
- The government has represented total cotton production for 2011/12 at 35.20 million tonnes in its fourth advance estimates.
- Few of the big farmers are holding their stock in expectation of higher cotton prices in future.

Cotton International Fundamentals

- As According to the National Agriculture Statistics Service, boll setting of cotton crops in Southwestern markets of US had reached 59% in Georgia, 39% in Alabama, 28% in North Carolina, 20% in South Carolina, and 10 % in Virginia.
- As per source, China's June cotton imports stood up to totaled 475,964 metric tons from 119,997 tons a year earlier. January-June imports stood at 3.05 million tons, up from 1.33 million tons.

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	-30.5	1123.5	1123.5	1087.5	1101
Apr-13	-40	1148	1148	1101.5	1107

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

Contract	+/-	Open	High	Low	Close
Feb-13	-35.6	1120	1120	1084.8	1094.4
Apr-13	-37.5	1121.2	1128.8	1092	1099.8

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	46	-17	122	1
Apr-13	8,033	3622	5000	-674

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	70	38	66	2
Apr-13	298	222	340	-3

Spread	Feb-13	Apr-13
Basis	-136	
Feb-13		6.00
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	-129.4	
Apr-13		5.40

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	-2.12	18330	18330	17950	17990
31-Aug-12	-1.98	18660	18660	18300	18340
31-Oct-12	-2.31	18520	18520	18150	18170
30-Nov-12	-1.88	17950	17950	17640	17700
31-Dec-12	-2.14	17740	17740	17390	17410

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	23-7-2012	21-7-2012	
Amravati-Vunni Mech-1#	5050-5100	5000	+100
Kadi-Bt Cotton#	5000-5250	4900-5000	+250
Ahmedabad-Shankar-6#	4750-4900	4750-4900	Unch
Gondal	-	2500-4965	-
Rajkot-(B.T)	4225-5050	4200-5020	+30
Abohar-J-34*	3900	3900	Unch
Muktsar-J-34*	3900	3900	Unch
Fajlika#	3950	3880	+70
Khandwa M.P.	5200	5200	Unch
Patan-(B.T)	4400-4500	4400-4500	Unch
Sri-Ganganagar	3850	3825	+25

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	23-7-2012	21-7-2012	
Amravati -Vunni Mech-1`	700	500	+200
Kadi -Bt Cotton	-	25	-
Ahmedabad - Shankar-6	7000	8000	-1000
Gondal	-	265	-
Rajkot-(B.T)	834	825	+9
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: 21/7/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (21/7/2012)	Rs. Per Candy (20/7/2012)	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	35600	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	37200	37200	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	3770	37700	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	40600	40600	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	N.Q.	N.Q.	-
DCH-32(107)	34mm	3.0 - 3.8	33	53000	53000	Unch

Cotlook Index: As on 20/7/2012

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

China Cotton Index: As on 23/7/2012

Index	RMB/Ton	Change
CCIndex(328)	18273	+11
CCIndex(527)	15941	+12
CCIndex(229)	19384	+4

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 21/7/2012 (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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