

## Cotton Domestic Fundamentals:

- Cotton prices witnessed Steady tone on Saturday.
- Low Arrival was registered in key spot markets.
- According to Gujarat agriculture department, area covered under cotton crop is 2.2lakh hectares in 2011-12 which was 2.9lakh hectares in 2010-11 as on 20-August-2012
- All India, area under cotton is down by 6.14lakh hectares to 111.53lakh hectares as on 24<sup>th</sup> August, 2012 compared to 117.67lakh hectares during the same period last year.
- Higher acreage is reported in the states of Andhra Pradesh (up by 6.01lakh ha.), Maharashtra (up by 2.88lakh ha.), Orissa (up by 0.34lakh ha.), Haryana (up by 0.82lakh ha.), Karnataka (up by 0.09lakh ha.) and Rajasthan (up by 0.68lakh ha.) as per Ministry of Agriculture.  
Lower area is reported in the states of Gujarat (down by 4.22lakh ha.), Madhya Pradesh (down by 0.55lakh ha), Punjab (down by 0.31lakh ha.) compared to same period during previous year.

## Cotton International Fundamentals

- Global cotton prices fell on China's release of additional cotton in the market.
- 15% Cotton Crop Damaged in Punjab Region of Pakistan Due to Pest. Framers blame it on late monsoon.

## Outlook: Domestic and International

We expect domestic cotton price to trade on bearish phase.

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

Contract	+/-	Open	High	Low	Close
Feb-13	-2	1107.50	1107.5	1107.5	1107.5
Apr-13	-13.5	1143.00	1148	1127	1131.5

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	1	-4	112	0
Apr-13	4,584	-1690	6978	196

### Spread Feb-13 Apr-13

Basis	-132.5	
Feb-13		24.00
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	-13.6	1127	1132	1112.5	1116.1
Apr-13	-12.2	1131.2	1137	1120.1	1123.5

### Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	104	-40	171	104
Apr-13	81	-29	335	81

### Spread Feb-13 Apr-13

Basis	-141.1	
Feb-13		7.40
April-13		

**NB:** Spread was done by taking avg spot prices at Ahmadabad – Shankar-6 market. Basis = Spot- April

**MCX Cotton Futures (29 mm Variety): Prices in Bales**

Contract	% Change	Open	High	Low	Close
31-Aug-12	-1	17890	17920	17730	17750
31-Oct-12	-0.59	18600	18600	18400	18400
30-Nov-12	-0.83	18070	18150	17930	17990
31-Dec-12	-0.77	18110	18220	18000	18040
31-Jan-13	-0.54	18580	18580	18260	18260

**Cotton Prices at Key Spot Markets**

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	25-8-2012	24-8-2012	
Amravati-Vunni Mech-1#	4900	4850	+50
Kadi-Bt Cotton#	-	-	-
Ahmedabad-Shankar-6#	4750-5000	4760-5000	Unch
Gondal	4755-5015	4755-5040	-25
Rajkot-(B.T)1	4125-4975	4250-4975	Unch
Abohar-J-34*	3950	3925	+25
Muktsar-J-34*	3950	3925	+25
Fajlika#	-	3925	-
Khandwa M.P.	5200	5200	Unch
Patan-(B.T)	-	-	-
Sri-Ganganagar	3900	3900	Unch

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

**Cotton Arrivals in Key Centers**

Centre (1 bale = 170 Kg)	Arrivals		Change
	25-8-2012	24-8-2012	
Amravati -Vunni Mech-1#	700	800	-100
Kadi -Bt Cotton	-	-	-
Ahmedabad - Shankar-6#	2000	2000	Unch
Gondal	931	900	+31
Rajkot-(B.T)	900	800	+100
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: 24/8/2012**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (24/8/2012)	Rs. Per Candy (23/8/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	42000	42000	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42800	42800	Unch
J-34(202)	26mm	3.5 - 4.9	23	35900	35600	+300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	37400	37400	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	38200	38400	-200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	40500	40500	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	N.Q.	N.Q.	-
DCH-32(107)	34mm	3.0 - 3.8	33	53500	53500	Unch

**Cotlook Index: As on 24/8/2012**

Cotlook Indices	Cents/Pound	Change
A-Index	86.40	-0.20

**China Cotton Index: As on 24/8/2012**

Index	RMB/Ton	Change
CCIndex(328)	18430	+17
CCIndex(527)	16105	+18
CCIndex(229)	19450	+8

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

**USDA Cotton Spot Rates: As on 24/8/2012**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	71.95	74.95	NIL
North Delta	71.70	73.20	NIL
South Delta	71.70	73.20	NIL
East TX-OK	69.00	73.75	610
West Texas	68.50	74.25	NIL
Desert SW	69.70	76.20	NIL
SJ Valley	70.45	81.10	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 24/8/2012**

Contract	Open	High	Low	Close	Change
Oct-12	75	75.97	74.05	74.45	-1.45
Dec-12	76.97	76.99	74.72	75.21	-1.59
Mar-12	77.57	77.60	75.50	75.94	-1.44
May-12	77.94	77.91	75.95	76.39	-1.41
Jul-12	77.63	78.45	76.48	76.94	-1.51
Oct-12	79.76	78.37	78.37	78.37	-1.39

**Pakistan Cotton Spot rates: As on 24/8/2012 (in Pakistan Rupees)**

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
<b>Cotton</b>	37.32 Kgs	5850	155	6005
<b>Equivalent</b>	40 Kgs	6269	155	6424

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