

Cotton Domestic Fundamentals:

- Cotton prices witnessed Strong to steady tone on Tuesday.
- Arrivals in Gondal and Amravati was registered in which are key spot markets.
- According to Cotton Advisory Board, mills are likely to import 1.2 million bales in 2011-12(ending Sep 30, 2012). 0.48 million bales already have been imported.
- Textile ministry is in consideration to regulate the export of cotton. Despite cotton availability there is very less stock left for domestic consumption.
- Government raises the textile export quota to US \$40.5 billion from earlier target of US \$38 billion

Cotton International Fundamentals

- There has been severe drought in Georgia which has badly affected cotton crops.
- Increase production of cotton crop in China is affecting the prices in International Markets. Prices are declining in markets internationally

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	-6.00	1054.00	1080	1054	1080
Apr-13	3.50	1100.00	1105	1082.5	1104

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

Contract	+/-	Open	High	Low	Close
Feb-13	8.00	1082	1096.3	1075	1094
Apr-13	4.50	1094.3	1098	1079.5	1097.4

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	12	9	111	-1
Apr-13	7,349	-546	5800	-860

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	261	-17	130	-57
Apr-13	291	14	321	-29

Spread Feb-13 Apr-13

Basis	-115	
Feb-13		24.00
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	
Feb-13		3.40
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	0.23	17430	17640	17430	17570
31-Oct-12	0.61	18110	18240	17920	18240
30-Nov-12	-0.28	17730	17820	17550	17740
31-Dec-12	-0.06	17790	17880	17660	17830
31-Jan-13	-0.93	17960	18040	17800	18040

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	28-8-2012	27-8-2012	
Amravati-Vunni Mech-1#	4825	4850	-25
Kadi-Bt Cotton#	-	-	-
Ahmedabad-Shankar-6#	4750-4900	4760-5000	-100
Gondal	2355-5000	2500-5000	Unch
Rajkot-(B.T)1	-	4125-4900	-
Abohar-J-34*	4000	3975	+25
Muktsar-J-34*	4000	3975	+25
Fajlika#	3975	3925	+50
Khandwa M.P.	5200	5200-5300	-100
Patan-(B.T)	-	-	-
Sri-Ganganagar	3900-4000	3930	+70

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	28-8-2012	27-8-2012	
Amravati -Vunni Mech-1#	800	700	+100
Kadi -Bt Cotton	-	-	-
Ahmedabad - Shankar-6#	2000	2000	Unch
Gondal	1050	740	+310
Rajkot-(B.T)	-	400	-
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: 27/8/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (27/8/2012)	Rs. Per Candy (25/8/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	42100	42100	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42800	42800	Unch
J-34(202)	26mm	3.5 - 4.9	23	36100	36100	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	37400	37400	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	38200	38200	Unch
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 28/8/2012

Index	RMB/Ton	Change
CCIndex(328)	18456	+16
CCIndex(527)	16138	+20
CCIndex(229)	19462	+10

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

USDA Cotton Spot Rates: As on 27/8/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	72.83	75.83	NIL
North Delta	72.58	74.08	NIL
South Delta	72.58	74.08	NIL
East TX-OK	70.00	74.75	1509
West Texas	69.50	75.25	NIL
Desert SW	70.58	77.08	NIL
SJ Valley	71.33	81.98	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 27/8/2012

Contract	Open	High	Low	Close	Change
Oct-12	75.2	75.48	74.87	75.33	0.88
Dec-12	75.5	76.24	75.23	76.14	0.93
Mar-12	76.34	76.98	75.94	76.89	0.95
May-12	76.83	77.4	76.7	77.31	0.92
Jul-12	77.78	77.98	77.74	77.84	0.9
Oct-12	79.34	79.34	79.34	79.34	0.97

Pakistan Cotton Spot rates: As on 25/8/2012 (in Pakistan Rupees)

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

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