

Cotton Domestic Fundamentals:

- Cotton prices witnessed weak tone on Wednesday.
- No Arrivals was registered in 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

- Pakistan production is sowing seeds that is likely to increase production by 62.5 percent
- There has been severe drought in Georgia which has badly affected cotton crops.

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	7.50	1070.00	1076	1068	1076
Apr-13	4.00	1101.00	1110.5	1092.5	1104

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	10	10	107	107
Apr-13	5,761	5761	5932	5932

Spread Feb-13 Apr-13

Basis	-111	
Feb-13		28.00
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	5.10	1095	1100.5	1085.2	1096.7
Apr-13	4.40	1092.1	1104	1087	1098

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	188	188	132	132
Apr-13	150	150	322	322

Spread Feb-13 Apr-13

Basis	-131.7	
Feb-13		1.30
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	0.28	17590	17630	17500	17610
31-Oct-12	0.22	18170	18280	18120	18240
30-Nov-12	0.06	17680	17800	17570	17750
31-Dec-12	-0.11	17650	17910	17650	17800
31-Jan-13	0.56	18110	18110	18040	18040

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	29-8-2012	28-8-2012	
Amravati-Vunni Mech-1#	-	4825	-
Kadi-Bt Cotton#	-	-	-
Ahmedabad-Shankar-6#	4750-4900	4750-4900	Unch
Gondal	3000-4500	2355-5000	-500
Rajkot-(B.T)1	4125-4965	-	-
Abohar-J-34*	3980	4000	-20
Muktsar-J-34*	3980	4000	-20
Fajlika#	4011	3975	+36
Khandwa M.P.	5200	5200	Unch
Patan-(B.T)	-	-	-
Sri-Ganganagar	3900	3900-4000	-100

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	29-8-2012	28-8-2012	
Amravati -Vunni Mech-1#	-	800	-
Kadi -Bt Cotton	-	-	-
Ahmedabad - Shankar-6#	2000	2000	Unch
Gondal	995	1050	-55
Rajkot-(B.T)	700	-	-
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: 28/8/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (28/8/2012)	Rs. Per Candy (27/8/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	42000	42100	-100
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42600	42800	-200
J-34(202)	26mm	3.5 - 4.9	23	35900	36100	-200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	37300	37400	-100
Shankar-6(105)	29mm	3.5 - 4.9	28	38100	38200	-100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	40400	40500	-100
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 28/8/2012

Cotlook Indices	Cents/Pound	Change
A-Index	85.90	-0.50

China Cotton Index: As on 29/8/2012

Index	RMB/Ton	Change
CCIndex(328)	18480	+24
CCIndex(527)	16151	+13
CCIndex(229)	19473	+11

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	72.79	75.79	1077
North Delta	72.04	73.54	9
South Delta	72.04	73.54	NIL
East TX-OK	69.75	74.50	1000
West Texas	69.25	75.00	144
Desert SW	70.04	76.54	NIL
SJ Valley	70.79	81.44	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 28/8/2012

Contract	Open	High	Low	Close	Change
Oct-12	74.77	74.89	74.5	74.79	-0.54
Dec-12	75.95	76.44	75.11	75.62	-0.52
Mar-12	76.51	77.08	75.9	76.41	-0.48
May-12	77.09	77.27	76.41	76.96	-0.35
Jul-12	77.64	77.88	77.34	77.55	-0.29
Oct-12	78.94	78.94	78.94	78.94	-0.4

Pakistan Cotton Spot rates: As on 28/8/2012 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5800	155	5955
Equivalent	40 Kgs	6216	155	6371

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