

Cotton Domestic Fundamentals:

- Cotton prices witnessed weak tone on Thursday.
- Marginal Arrivals was registered in spot markets.
- Cotton arrivals will begin in 4-5 days from Punjab and next week from Gujarat.
- Cotton prices likely to decline marginally on lower arrivals but recent spell of rains in cotton growing areas and higher imports by mills are likely to weigh on prices.

Cotton International Fundamentals

- Declining demand of cotton in China is putting pressure on inventories.
- China will start selling cotton in next week to tame down the prices in domestic market.

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	-5.00	1070.00	1070	1068	1068
Apr-13	-6.00	1103.00	1108	1090	1097.5

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	2	2	105	105
Apr-13	4,330	4330	6098	6098

Spread Feb-13 Apr-13

Basis	-103	
Feb-13		29.50
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	-4.40	1098.5	1105	1083.1	1090.8
Apr-13	-4.00	1101	1101.4	1086.6	1093.4

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	182	182	147	147
Apr-13	136	136	353	353

Spread Feb-13 Apr-13

Basis	-125.8	
Feb-13		2.60
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	0.85	17580	17740	17580	17730
31-Oct-12	0.11	18160	18290	18160	18240
30-Nov-12	0.11	17780	17810	17710	17740
31-Dec-12	0.28	17800	17860	17800	17840
31-Jan-13	0.33	18120	18120	18120	18120

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	30-8-2012	29-8-2012	
Amravati-Vunni Mech-1#	4800	-	-
Kadi-Bt Cotton#	-	-	-
Ahmedabad-Shankar-6#	4750-4900	4750-4900	Unch
Gondal	3735-4445	3000-4500	-55
Rajkot-(B.T)1	4150-4950	4125-4965	-15
Abohar-J-34*	3960	3980	-20
Muktsar-J-34*	3960	3980	-20
Fajlika#	4015	4011	+4
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
	30-8-2012	29-8-2012	
Amravati -Vunni Mech-1#	500	-	-
Kadi -Bt Cotton	-	-	-
Ahmedabad - Shankar-6#	2000	2000	Unch
Gondal	2050	995	+1055
Rajkot-(B.T)	700	700	Unch
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 (29/8/2012)	Rs. Per Candy (28/8/2012)	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	42600	42600	Unch
J-34(202)	26mm	3.5 - 4.9	23	35900	35900	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	37300	37300	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	38100	38100	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	40400	40400	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 29/8/2012

Cotlook Indices	Cents/Pound	Change
A-Index	85.40	-0.50

China Cotton Index: As on 30/8/2012

Index	RMB/Ton	Change
CCIndex(328)	18487	+7
CCIndex(527)	16166	+15
CCIndex(229)	19475	+2

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

USDA Cotton Spot Rates: As on 29/8/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	73.83	76.83	NIL
North Delta	73.08	74.58	NIL
South Delta	73.08	74.58	NIL
East TX-OK	70.75	75.50	1578
West Texas	70.25	76.00	349
Desert SW	71.08	77.58	NIL
SJ Valley	71.83	82.48	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 29/8/2012

Contract	Open	High	Low	Close	Change
Oct-12	74.79	75.87	74.79	75.83	1.04
Dec-12	75.64	76.88	75.4	76.65	1.03
Mar-12	76.45	77.59	76.27	77.27	0.86
May-12	77.67	77.98	77.23	77.82	0.86
Jul-12	78	78.39	77.96	78.39	0.84
Oct-12	79.56	79.56	79.56	79.56	0.62

Pakistan Cotton Spot rates: As on 29/8/2012 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5750	155	5905
Equivalent	40 Kgs	6162	155	6317

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