

Cotton Domestic Fundamentals:

- Cotton prices witnessed weak tone on Friday.
- No Arrivals was registered in spot markets.
- Cotton crop will get respite in parts of Rajasthan and Gujarat with rains, which will weigh sentiment on local prices to go down.
- Cotton arrivals will begin in next week from Punjab and 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	-32.00	1060.00	1061.5	1037	1037
Apr-13	-35.50	1097.00	1098	1058	1062.5

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

Contract	+/-	Open	High	Low	Close
Feb-13	-27.00	1092	1092	1057.5	1062.9
Apr-13	-31.90	1093.3	1093.3	1059	1061

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	21	21	99	99
Apr-13	8,502	8502	6254	6254

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	211	211	187	187
Apr-13	461	461	368	368

Spread Feb-13 Apr-13

Basis	-77	
Feb-13		25.50
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	-102.9	
Feb-13		-1.90
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	0.17	17520	17870	17520	17730
31-Oct-12	-2.36	18210	18220	17770	17810
30-Nov-12	-1.97	17640	17700	17380	17400
31-Dec-12	-2.08	17770	17800	17440	17460
31-Jan-13	-1.88	18090	18090	17750	17780

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	31-8-2012	30-8-2012	
Amravati-Vunni Mech-1#	-	4800	-
Kadi-Bt Cotton#	4375-4625	-	-
Ahmedabad-Shankar-6#	4750-4850	4750-4900	-50
Gondal	3255-4925	3735-4445	-20
Rajkot-(B.T)1	4125-4925	4150-4950	-25
Abohar-J-34*	3950	3960	-10
Muktsar-J-34*	3950	3960	-10
Fajlika#	3980	4015	-30
Khandwa M.P.	5200	5200	Unch
Patan-(B.T)	-	-	-
Sri-Ganganagar	3880	3900	-20

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	31-8-2012	30-8-2012	
Amravati -Vunni Mech-1#	-	500	-
Kadi -Bt Cotton	-	-	-
Ahmedabad - Shankar-6#	2000	2000	Unch
Gondal	2000	2050	-55
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: 30/8/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (30/8/2012)	Rs. Per Candy (29/8/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	41900	42000	-100
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42500	42600	-100
J-34(202)	26mm	3.5 - 4.9	23	35600	35900	-300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	37300	37300	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	38000	38100	-100
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 30/8/2012

Cotlook Indices	Cents/Pound	Change
A-Index	86.30	+0.90

China Cotton Index: As on 30/8/2012

Index	RMB/Ton	Change
CCIndex(328)	18520	+33
CCIndex(527)	16190	+24
CCIndex(229)	19494	+19

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

USDA Cotton Spot Rates: As on 30/8/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	74.15	77.15	34
North Delta	73.40	74.90	132
South Delta	73.40	74.90	264
East TX-OK	71.00	75.75	949
West Texas	70.50	76.25	172
Desert SW	71.40	77.90	NIL
SJ Valley	72.15	82.80	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 30/8/2012

Contract	Open	High	Low	Close	Change
Oct-12	75.61	76.48	75.29	76.15	+0.32
Dec-12	76.50	77.28	75.90	76.94	+0.29
Mar-12	76.94	77.95	76.70	77.73	+0.46
May-12	77.85	78.46	77.43	78.37	+0.55
Jul-12	78.50	78.95	78.26	78.89	+0.50
Oct-12	80.00	80.00	80.00	80.00	+0.44

Pakistan Cotton Spot rates: As on 30/8/2012 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5700	155	5855
Equivalent	40 Kgs	6109	155	6264

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