

Cotton Domestic Fundamentals:

- Cotton prices witnessed weak tone on Monday.
- Marginal Arrivals was registered in spot markets.
- Crop condition, Maharashtra 96.5% kharif sowing done.
- All India Cotton Sowing progress, area covered under cotton 112.83 lakh hectares as on 31 August, 2012.
- Cotton crop will get respite in parts of Rajasthan and Gujarat with rains, which will weigh sentiment on local prices to go down.

Cotton International Fundamentals

- Egypt will export 1,513 Metric Tonne of cotton in this week starting August 30.
- Damage due to hurricane Isaac in USA has drenched main cotton producing regions, which will possibly lead to decline in stockpiles. Also, cotton farmers are switching to soybean to benefit from rising grain prices.

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	-17.50	1002.50	1015	1002.5	1012.5
Apr-13	-14.00	1055.00	1056.5	1028.5	1039

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

Contract	+/-	Open	High	Low	Close
Feb-13	-12.20	1050	1050	1027.5	1036.9
Apr-13	-11.30	1052	1053.5	1028	1036.2

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	14	14	97	97
Apr-13	6,623	6623	6254	6254

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	153	153	172	172
Apr-13	223	223	386	386

Spread Feb-13 Apr-13

Spread	Feb-13	Apr-13
Basis	-92.5	
Feb-13		26.50
April-13		

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

Spread Feb-13 Apr-13

Spread	Feb-13	Apr-13
Basis	-116.9	
Feb-13		-0.70
April-13		

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

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

Contract	% Change	Open	High	Low	Close
31-Aug-12	-0.51	17670	17750	17410	17550
31-Oct-12	-0.4	17380	17380	17090	17260
30-Nov-12	-0.52	17410	17430	16910	17310
31-Dec-12	-1.41	17500	17550	17460	17460
31-Jan-13	-0.51	17670	17750	17410	17550

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	3-9-2012	1-9-2012	
Amravati-Vunni Mech-1#	-	4725-4750	-
Kadi-Bt Cotton#	4375-4625	4375-4625	Unch
Ahmedabad-Shankar-6#	4500-4700	4600-4800	-100
Gondal	2730-4855	3355-4915	-60
Rajkot-(B.T)	3850-4800	4075-4890	-90
Abohar-J-34*	3875	3920	-45
Muktsar-J-34*	3875	3920	-45
Fajlika#	3960	3970	-10
Khandwa M.P.	5200	5200	Unch
Patan-(B.T)	-	-	-
Sri-Ganganagar-J-34*	3880	3880	Unch

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	3-9-2012	1-9-2012	
Amravati -Vunni Mech-1#	-	800	-
Kadi -Bt Cotton	-	-	-
Ahmedabad - Shankar-6#	2000	2000	Unch
Gondal	350	242	+108
Rajkot-(B.T)	800	500	+300
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: 1/9/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (1/9/2012)	Rs. Per Candy (31/8/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	40900	41400	-500
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41500	42000	-500
J-34(202)	26mm	3.5 - 4.9	23	34700	35200	-500
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	36800	37100	-300
Shankar-6(105)	29mm	3.5 - 4.9	28	37500	37800	-300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	39900	40200	-300
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 31/8/2012

Cotlook Indices	Cents/Pound	Change
A-Index	86.50	+0.20

China Cotton Index: As on 3/9/2012

Index	RMB/Ton	Change
CCIndex(328)	18551	+31
CCIndex(527)	16216	+26
CCIndex(229)	19506	+12

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

USDA Cotton Spot Rates: As on 31/8/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	74.48	77.48	NIL
North Delta	73.73	75.23	NIL
South Delta	73.73	75.23	NIL
East TX-OK	71.25	76.00	364
West Texas	70.75	76.50	92
Desert SW	71.73	78.23	NIL
SJ Valley	72.48	83.13	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 1/9/2012

Contract	Open	High	Low	Close	Change
Oct-12	76.10	76.48	76.02	76.48	+0.33
Dec-12	76.90	77.29	76.25	77.26	+0.32
Mar-12	77.59	78.02	77.05	77.98	+0.25
May-12	78.19	78.69	77.90	78.66	+0.29
Jul-12	78.80	79.33	78.55	79.33	+0.44
Oct-12	80.40	80.75	80.40	80.75	+0.75

Pakistan Cotton Spot rates: As on 1/9/2012 (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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