

Cotton Domestic Fundamentals:

- Cotton prices continued weak tone on Thursday due to sluggish demand.
- Marginal Arrivals was registered in spot markets.
- According to Saurashtra Oil Miller's Association, 60 percent cotton crop in south Gujarat is damaged due to defiant rain in the area.
- Cotton prices are sliding due to sluggish demand in the market. Also, fresh arrivals are likely to begin in the last part of September, which would further reduce prices.
- This year the stocks were depleted from the market at faster rate than expected on which prices went up for short period.
- Gujarat sowing progress, 86% of the sowing has been completed, this year 212.2 thousand hectares has been reduced due to delayed rainfall.

Cotton International Fundamentals

- According to USDA report, US cotton crop will be reduced by 3.1% to 17.11 million bales than earlier projected in August 2012 17.65 million bales.
- According to USDA report, estimated world cotton ending stock are raised by 2 million bales, to 76.5 million bales.
- Australia agriculture department has forecasted lower cotton production in winter crop during 2012-13.

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	1.50	985.00	985	985	985
Apr-13	-3.00	1010.00	1017	1001.5	1009

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	1	-2	84	0
Apr-13	6,287	665	5874	75

Spread Feb-13 Apr-13

Basis	-60	
Feb-13		24.00
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	-5.70	996	1001.9	988.2	993
Apr-13	-3.20	1005	1012	998.6	1006.5

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	205	-257	329	11
Apr-13	203	-68	318	-24

Spread Feb-13 Apr-13

Basis	-68	
Feb-13		13.50
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-Oct-12	-1.21	17350	17350	17160	17200
30-Nov-12	-1.47	16970	16970	16750	16770
31-Dec-12	-1.7	17030	17030	16780	16780
31-Jan-13	-1.67	16930	17170	16920	17030
28-Feb-13	-2.4	17200	17200	17070	17070

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	13-9-2012	12-9-2012	
Amravati-Vunni Mech-1#	4500	4550	-50
Kadi-Bt Cotton#	-	-	-
Ahmedabad-Shankar-6#	4500-4750	4500-4750	Unch
Gondal1	2605-4675	2555-4635	+40
Rajkot-(B.T)	3700-4685	3750-4700	-15
Abohar-J-34*	3750	3780	-30
Muktsar-J-34*	3750	3780	-30
Fajlika#	3775	3825	-50
Khandwa M.P.	4600	4600	Unch
Patan-(B.T)	-	-	-
Sri-Ganganagar	3700	3725-3730	-30

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	13-9-2012	12-9-2012	
Amravati -Vunni Mech-1#	500	800	-300
Kadi -Bt Cotton	-	-	-
Ahmedabad - Shankar-6#	2000	2000	Unch
Gondal	30	97	-67
Rajkot-(B.T)	610	210	+400
Abohar	40	-	-
Muktsar	-	-	-
Fajlika	-	-	-
Khandwa M.P.	-	-	-
Patan-(B.T)	-	-	-

Sri-Ganganagar	-	-	-
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Khandwa, Kadi, Fajlika-1 Truck-100 Qtls, Amravati-1 Truck-100 kgs, Ahmadabad, Abohar and Muktsar-Bales

Cotton Association of India Spot Rates: 12/9/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (12/9/2012)	Rs. Per Candy (11/9/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	39200	39200	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	39800	39800	Unch
J-34(202)	26mm	3.5 - 4.9	23	33700	33900	-200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	35600	35800	-200
Shankar-6(105)	29mm	3.5 - 4.9	28	36400	36400	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	39500	39500	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	40500	40500	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	53000	53000	Unch

Cotlook Index: As on 12/9/2012

Cotlook Indices	Cents/Pound	Change
A-Index	84.40	-0.65

China Cotton Index: As on 13/9/2012

Index	RMB/Ton	Change
CCIndex(328)	18637	+1
CCIndex(527)	16329	+4
CCIndex(229)	19578	0

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

USDA Cotton Spot Rates: As on 12/9/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	70.83	73.83	356
North Delta	70.08	71.58	NIL
South Delta	70.08	71.58	NIL
East TX-OK	66.75	71.50	21
West Texas	67.25	73.00	546
Desert SW	68.08	74.58	NIL
SJ Valley	68.83	79.48	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 12/9/2012

Contract	Open	High	Low	Close	Change
Oct-12	74.67	75.00	72.42	72.83	-1.45
Dec-12	75.20	75.65	72.75	73.33	-1.60
Mar-13	75.99	76.36	73.60	74.18	-1.41
May-13	77.15	77.15	74.70	75.23	-1.27
Jul-13	77.80	77.80	75.85	76.30	-1.16
Oct-13	77.37	77.37	77.37	77.37	-1.16

Pakistan Cotton Spot rates: As on 12/9/2012 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5650	155	5805
Equivalent	40 Kgs	6055	155	6210

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