

Cotton Domestic Fundamentals:

- Cotton prices showed steady to strong tone on Tuesday.
- Arrivals have started picking up in spot markets.
- Pest has attacked cotton crops in Punjab which is ready for plucking
- Cotton sowing progress, 114.44 million hectares in 2012-13, which is 5.6 million hectares, lower than previous year.

Cotton International Fundamentals

- According to USDA reports, world cotton production declined to 114 million bales which is 8 percent decline from previous year.
- Global cotton exports are expected to fall by 13.5 percent to 8.3 million tonnes in 2012-13.
- According to USDA, Chinese imports will fall by 51 percent in 2012-13 marketing year, putting pressure on global prices.

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	-13.50	959.50	960	950	950.00
Apr-13	2.00	990.00	993	974	988.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	16	-2	63	-11
Apr-13	7,724	131	7139	300

Spread Feb-13 Apr-13

Basis	-87.5	
Feb-13		38.50
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	-7.30	964	964.4	951.1	961.00
Apr-13	0.00	982	986	971	984.5

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	258	92	413	86
Apr-13	257	-123	294	-15

Spread Feb-13 Apr-13

Basis	-98.5	
Feb-13		23.50
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	0.06	16710	16730	16630	16690
30-Nov-12	0.12	16380	16410	16270	16340
31-Dec-12	0.49	16460	16510	16390	16500
31-Jan-13	-0.66	16540	16840	16540	16680
28-Feb-13	1.2	16800	16800	16800	16800

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	18-9-2012	17-9-2012	
Amravati-Vunni Mech-1#	-	4400-4450	-
Kadi-Bt Cotton#	-	-	-
Ahmedabad-Shankar-6#	4000-4625	4750-4775	-150
Gondal1	2155-4055	2155-3955	+100
Rajkot-(B.T)	3775-4800	3725-4750	+50
Abohar-J-34*	3675	3670	+5
Muktsar-J-34*	3675	3670	+5
Fajlika#	3650	3650	Unch
Khandwa M.P.		4400	Unch
Patan-(B.T)	-	-	-
Sri-Ganganagar	3600	3625	-25

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	18-9-2012	17-9-2012	
Amravati -Vunni Mech-1#	-	400	-
Kadi -Bt Cotton	-	-	-
Ahmedabad - Shankar-6#	2000	2000	Unch
Gondal	489	983	-494
Rajkot-(B.T)	540	810	-270
Abohar	200	10	+190
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: 17/9/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (17/9/2012)	Rs. Per Candy (15/9/2012)	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	33100	33100	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	35200	35700	-500
Shankar-6(105)	29mm	3.5 - 4.9	28	35000	35900	-900
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	38500	39000	-500
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	40100	40100	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	52500	53000	-500

Cotlook Index: As on 17/9/2012

Cotlook Indices	Cents/Pound	Change
A-Index	84.90	+1.85

China Cotton Index: As on 17/9/2012

Index	RMB/Ton	Change
CCIndex(328)	18639	+4
CCIndex(527)	16335	+5
CCIndex(229)	19582	+2

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

USDA Cotton Spot Rates: As on 17/9/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	71.83	74.83	112
North Delta	71.08	72.58	NIL
South Delta	71.08	72.58	NIL
East TX-OK	68.5	73.25	7236
West Texas	68	73.75	4647
Desert SW	69.83	76.33	NIL
SJ Valley	70.58	81.23	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 17/9/2012

Contract	Open	High	Low	Close	Change
Oct-12	74.7	75.94	74.39	74.53	-0.86
Dec-12	75.4	76.77	75.12	75.33	-0.57
Mar-13	76.38	77.52	75.98	76.08	-0.71
May-13	77.25	78.25	76.89	76.95	-0.69
Jul-13	77.91	79	77.83	77.89	-0.62
Oct-13	78.12	79.08	78.12	79.08	-0.52

Pakistan Cotton Spot rates: As on 17/9/2012 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5600	155	5755
Equivalent	40 Kgs	6002	155	6157

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