

Cotton Domestic Fundamentals:

- Cotton prices showed steady to strong tone on Thursday.
- Major Arrivals will only start after October 15.
- Exporters are booking forward contracts of November, as prices are far below than last year due to sluggish demand and over expectation of price arise after arrivals will start.
- Cotton exports from India touched 12.7 million bales of 170 kg each in the ongoing marketing season which ends this month.
- Arrivals have started in Punjab, Haryana as harvesting began, soon farmers will bring their produce to market. But major arrivals will only begin after October 15, where actual situation of prices can be noted.
- Cotton prices are not likely to rise until fresh arrivals hit the market, as traders are waiting for the fresh crop in the market. Cotton market will continue to be sluggish.
- Cotton sowing progress, 114.44 lakh hectares in 2012-13, which is 5.6 lakh hectares, lower than previous year.

Cotton International Fundamentals

- China will stop releasing its cotton reserve by Sept 29 as this year's fresh cotton is launched onto the market, said an official from the National Development and Reform Commission.
- According to USDA reports, world cotton production declined to 114 million bales which is 8 percent decline from previous year.

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	-15.00	947.50	948.5	940	940.00
Apr-13	-24.50	981.00	984	960	964.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	9	-7	62	-1
Apr-13	6,959	-765	7060	-79

Spread Feb-13 Apr-13

Basis	-90	
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	-21.00	952	957	936	939.00
Apr-13	-22.50	976	979	958	961

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	173	-85	414	1
Apr-13	261	4	304	10

Spread Feb-13 Apr-13

Basis	-89	
Feb-13		22.00
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	-0.96	16500	16720	16450	16520
30-Nov-12	-0.73	16450	16450	16100	16220
31-Dec-12	-0.91	16420	16450	16290	16330
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
	20-9-2012	18-9-2012	
Amravati-Vunni Mech-1#	4300	-	-
Kadi-Bt Cotton#	-	-	-
Ahmedabad-Shankar-6#	4000-4500	4000-4625	-125
Gondal1	Closed	2155-4055	-
Rajkot-(B.T)	Closed	3775-4800	-
Abohar-J-34*	3705	3675	+30
Muktsar-J-34*	3550-3715	3675	+40
Fajlika#	3665	3650	+5
Khandwa M.P.	3000-3600	-	-
Patan-(B.T)	-	-	-
Sri-Ganganagar	3600	3600	Unch

*-Rs/maund, #-Rs.qtl

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	20-9-2012	18-9-2012	
Amravati -Vunni Mech-1#	800	-	-
Kadi -Bt Cotton	-	-	-
Ahmedabad - Shankar-6#	2000	2000	Unch
Gondal	Closed	489	-494
Rajkot-(B.T)	Closed	540	-270
Abohar	-	200	-
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: 18/9/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (18/9/2012)	Rs. Per Candy (17/9/2012)	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	33000	33100	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	34900	35200	-300
Shankar-6(105)	29mm	3.5 - 4.9	28	34800	35000	-200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	38500	38500	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	40000	40100	-100
DCH-32(107)	34mm	3.0 - 3.8	33	52500	52500	Unch

Cotlook Index: As on 19/9/2012

Cotlook Indices	Cents/Pound	Change
A-Index	85.15	+0.70

China Cotton Index: As on 20/9/2012

Index	RMB/Ton	Change
CCIndex(328)	18650	+11
CCIndex(527)	16340	+5
CCIndex(229)	19585	+3

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

USDA Cotton Spot Rates: As on 19/9/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	72.91	75.91	725
North Delta	72.16	73.66	NIL
South Delta	72.16	73.66	92
East TX-OK	69.5	74.25	1682
West Texas	69	74.75	2230
Desert SW	70.91	77.41	NIL
SJ Valley	71.66	82.31	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	74.76	75.5	74.2	74.88	-0.1
Dec-12	75.92	76.58	75.56	76.41	0.39
Mar-13	76.8	77.34	76.38	77.16	0.35
May-13	77.62	78.24	77.34	78.02	0.32
Jul-13	78.45	79	78.23	78.8	0.23
Oct-13	79.99	79.99	79.99	79.99	0.23

Pakistan Cotton Spot rates: As on 19/9/2012 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5550	155	5705
Equivalent	40 Kgs	5948	155	6103

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