

Cotton Domestic Fundamentals:

- Cotton prices noticed steady to weak tone on Wednesday.
- The estimated production of Cotton at 33.40 million bales (of 170 kg each) has registered an increase of 5.32 million bales as compared to average cotton production of 28.08 million bales
- Area under cotton is down by 5.20 lakh hectares to **114.94 lakh hectares** as on 21st September 2012 compared to 120.17 lakh hectares during the same period last year. **Higher acreage** is reported in the states of **Andhra Pradesh** (up by 3.35 lakh ha.), **Maharashtra** (up by 0.47 lakh ha.), and **Orissa** (up by 0.12 lakh ha.) as per Ministry of Agriculture. **Lower area** is reported in the states of **Rajasthan** (down by 1.17 lakh ha.), **Haryana** (down by 0.02 lakh ha.), **Gujarat** (down by 5.56 lakh ha.), **Madhya Pradesh** (down by 0.98 lakh ha) and **Punjab** (down by 0.44 lakh ha.) and compared to same period during previous year.
- Traders are expecting high arrivals by mid-October and prices of cotton are likely to continue downfall in prices.
- Limited selling lent some support to the market.
- Major Arrivals will only start after October 15.

Cotton International Fundamentals

- Global cotton prices are likely to fall by 11 percent amid higher output and lesser demand.
- China, the world's top buyer and consumer of cotton, will not issue additional import quotas for 2012 as part of a drive to support local farmers just as the new crop is coming to market as per senior Chinese official.

Outlook: We expect domestic cotton prices to witness bearish tone.

NCDEX Kapas Futures: (Prices in Rs/20/g)

Contract	+/-	Open	High	Low	Close
Feb-13	-7.00	895.00	900.50	882.50	882.50
Apr-13	-1.00	915.00	935.00	913.50	919.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	17	3	68	8
Apr-13	9615	1575	8025	-10

Spread Feb-13 Apr-13

Basis	-32.5	
Feb-13		37.00
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	-1.90	886.20	908.50	886.20	893
Apr-13	-3.10	916.00	933.80	912.30	916.10

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	333	-36	535	27
Apr-13	926	-204	379	56

Spread Feb-13 Apr-13

Basis	-43	
Feb-13		23.10
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-Oct-12	0.74	16280	16470	16180	16400
30-Nov-12	0.12	15980	16160	15950	16030
31-Dec-12	0.06	16010	16170	15970	16040
31-Jan-13	-0.43	16350	16550	16230	16230
28-Feb-13	-0.48	16650	16650	16550	16550

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	26-9-2012	25-9-2012	
Amravati-Vunni Mech-1#	3500	3450-3500	-100
Kadi-Bt Cotton#	-	-	-
Ahmedabad-Shankar-6#	3500-4500	3760-4500	Unch
Gondal1	2305-4105	2205-4155	-100
Rajkot-(B.T)	3650-4500	3600-4500	Unch
Abohar-J-34*	3600	3580	+20
Muktsar-J-34*	3600	3580	+20
Fajlika#	-	3100-3600	-
Khandwa M.P.	2900-3300	3000-3300	Unch
Patan-(B.T)	-	-	-
Sri-Ganganagar	3510	3500	+10

*-Rs/maund, #-Rs.qtl,

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	26-9-2012	25-9-2012	
Amravati -Vunni Mech-1#	1000	700	+300
Kadi -Bt Cotton	-	-	-
Ahmedabad - Shankar-6#	-	-	-
Gondal	1011	1240	-229
Rajkot-(B.T)	1950	1830	+120
Abohar	200	150	+50
Muktsar	-	-	-
Fajlika	-	250	-
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: 25/9/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (25/9/2012)	Rs. Per Candy (24/9/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	36400	37600	-1200
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	37300	38600	-1300
J-34(202)	26mm	3.5 - 4.9	23	31800	32000	-200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33500	33500	-900
Shankar-6(105)	29mm	3.5 - 4.9	28	34300	34000	+300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	36000	36700	-700
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	37000	38000	-1000
DCH-32(107)	34mm	3.0 - 3.8	33	49200	50200	-1000

Cotlook Index: As on 24/9/2012

Cotlook Indices	Cents/Pound	Change
A-Index	81.90	-40

China Cotton Index: As on 25/9/2012

Index	RMB/Ton	Change
CCIndex(328)	18663	+5
CCIndex(527)	16355	+6
CCIndex(229)	19591	+3

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

USDA Cotton Spot Rates: As on 25/9/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	68.83	71.83	471
North Delta	68.08	69.58	NIL
South Delta	68.08	69.58	NIL
East TX-OK	65.5	70.25	1246
West Texas	65	70.75	NIL
Desert SW	66.83	73.33	NIL
SJ Valley	67.58	78.23	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 24/9/2012

Contract	Open	High	Low	Close	Change
Oct-12	71.4	71.4	70.81	70.81	-0.2
Dec-12	72.82	73.59	72.27	72.33	-0.17
Mar-13	73.75	74.47	73.19	73.2	-0.3
May-13	74.82	75.39	74.08	74.1	-0.47
Jul-13	75.49	76.26	75.03	75.08	-0.24
Oct-13	76.74	76.74	76.74	76.74	-0.27

Pakistan Cotton Spot rates: As on 25/9/2012 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5500	155	5655
Equivalent	40 Kgs	5894	155	6049

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