

Cotton Domestic Fundamentals:

- Cotton prices noticed steady to weak tone on Saturday in key spot markets.
- Cotton arrivals have started picking up but traders are waiting for quality cotton in the market which will begin in third week of October. Until then cotton traders and millers are keeping distance from buying.
- India garments exports fell by 10.5 percent from previous year to \$1.1 billion in June due to weak export demand.
- There has been a significant increase in area sown under cotton in Andhra Pradesh which will compensate for the loss in Gujarat.
- Supplies in spot markets are rising in Punjab, Haryana and Rajasthan; prices in overseas markets are low due to record output with lower demand. Also rupee is also getting stronger. All these factors are weighing on sentiments.

Cotton International Fundamentals

- Pakistan production is estimated at 15 million bales for 2012-13. Also domestic consumption is 13 million bales as of last year.
- Australia cotton area is projected to decline by 14 percent in 2012-13 to 5.15 lakh hectares.
- In Pakistan, there had been crop shift of cotton area into Rice which is more than 2 lakh hectares.

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	-18.50	868.00	868.00	856.00	862.00
Apr-13	4.50	895.00	903.50	889.50	898.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	6	-7	78	0
Apr-13	3981	-3374	8982	408

Spread Feb-13 Apr-13

Basis	-62	
Feb-13		36.00
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	3.80	874.10	878.80	869.00	874.10
Apr-13	3.60	895.00	901.50	888.00	895.80

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	151	-113	515	6
Apr-13	343	-459	372	5

Spread Feb-13 Apr-13

Basis	-74.1	
Feb-13		21.70
April-13		

B: 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	0.44	15910	16120	15910	16040
30-Nov-12	0.38	15800	15900	15750	15860
31-Dec-12	0.51	15770	15930	15770	15890
31-Jan-13	-0.18	16140	16710	16110	16200
28-Feb-13	-0.6	16500	16500	16500	16500

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	29-9-2012	28-9-2012	
Amravati-Vunni Mech-1#	3500-3525	3400-3450	+75
Kadi-Bt Cotton#	-	-	-
Ahmedabad-Shankar-6#	3500-4500	3500-4375	+125
Gondal1	2260-4080	2260-4080	Unch
Rajkot-(B.T)	3575-4360	3550-4355	+5
Abohar-J-34*	3500-3600	3600	Unch
Muktsar-J-34*	3500-3600	3600	Unch
Fajlika#	-	-	-
Khandwa M.P.	2800-3300	2800-3300	Unch
Patan-(B.T)	-	-	-
Sri-Ganganagar	3500	3510	-10

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	29-9-2012	28-9-2012	
Amravati -Vunni Mech-1#	500	1000	-500
Kadi -Bt Cotton	-	-	-
Ahmedabad - Shankar-6#	6000	5000	+1000
Gondal	876	876	Unch
Rajkot-(B.T)	2080	2050	+30
Abohar	125	150	-25
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: 28/9/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (28/9/2012)	Rs. Per Candy (27/9/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	36600	36600	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	37100	37100	-200
J-34(202)	26mm	3.5 - 4.9	23	32000	32000	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33700	33700	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	34200	34100	+100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	35700	35700	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	36500	36500	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	48500	48500	Unch

Cotlook Index: As on 28/9/2012

Cotlook Indices	Cents/Pound	Change
A-Index	81.30	+0.50

China Cotton Index: As on 29/9/2012

Index	RMB/Ton	Change
CCIndex(328)	18673	+2
CCIndex(527)	16372	+5
CCIndex(229)	19598	+4

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

USDA Cotton Spot Rates: As on 28/9/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	67.15	70.15	NIL
North Delta	66.4	67.9	NIL
South Delta	66.4	67.9	578
East TX-OK	63.75	68.5	93
West Texas	63.25	69	864
Desert SW	65.15	71.65	NIL
SJ Valley	65.9	76.55	135

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 28/9/2012

Contract	Open	High	Low	Close	Change
Oct-12	70.63	70.63	69.15	69.15	-0.88
Dec-12	71.4	72.19	70.58	70.65	-0.88
Mar-13	72.5	73.04	71.63	71.68	-0.81
May-13	73.53	73.93	72.7	72.76	-0.75
Jul-13	74.61	74.88	73.84	73.91	-0.68
Oct-13	75.12	76.6	75.12	75.63	-0.67

Pakistan Cotton Spot rates: As on 28/9/2012 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5200	155	5355
Equivalent	40 Kgs	5573	155	5728

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