

Cotton Domestic Fundamentals:

- Cotton prices noticed weak tone on Friday except slight firmness in Amravati and Khandwa markets.
- Selling interest around current levels weighed on the market.
- Weakness in NYMEX cotton futures influenced domestic markets accordingly.
- New crop arrivals are picking up in Gujarat and Punjab.
- Higher moisture content in new crop arrival added to the weak tone of the market.
- According to trade sources, new crop is coming in Kadi market with 20 -25% moisture.
- Normal kapas with minimum moisture content is expected in the market by November.
- Cotton arrivals are likely to be delayed in the Saurashtra region of Gujarat amid lack of sufficient rainfall.
- Around 50 spinning mills in the Coimbatore region have formed Cotton Sourcing Company to procure cotton at cheaper price and protect them from price irregularities in the market.
- The Company is planning to procure 18 lakh bales of cotton during this season.

Cotton International Fundamentals

- According to USDA, global inventory forecast for the season to end-July 2013 increased by 3.4 percent to a record of 79.11 million 480-lb bales due to a combination of sharply higher production and reduced consumption.
- Cotton futures at NYMEX closed lower following bearish monthly supply and demand released by the USDA.
- According to industry sources, output of cotton is likely to decline by 4.2% to 6.9 million metric tonnes in China this year.
- Prices remained steady in Pakistan amid increase in arrivals and lack of cotton stocks in ginning mills.

Outlook: We expect domestic cotton prices to witness sideways to bearish tone in the near –term.

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

Contract	+/-	Open	High	Low	Close
Feb-13	-4.5	895.00	895.00	884.00	885.50
Apr-13	-14.5	942.00	942.00	922.00	931.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	23	18	55	-14
Apr-13	8298	328	10547	-109

Spread Feb-13 Apr-13

Basis	-115.5
Feb-13	57
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/20kg)

Contract	+/-	Open	High	Low	Close
Feb-13	-11.2	925.8	925.8	900	904.3
Apr-13	-13.8	938	939.5	921.2	929

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	267	-57	566	6
Apr-13	1175	471	433	30

Spread Feb-13 Apr-13

Basis	-134.3
Feb-13	24.7
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	-1.12	16020	16090	15890	15950
30-Nov-12	-1.19	15860	15860	15670	15720
31-Dec-12	-1.57	15900	15900	15650	15700
31-Jan-13	-0.87	15930	15930	15820	15880
28-Feb-13	-1.84	16010	16010	16000	16000

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	12-10-2012	11-10-2012	
Amravati-Vunni Mech-1#	3650-3700	3650	+50
Kadi-Bt Cotton#	3700-4200	3800-4200	Unch
Ahmedabad-Shankar-6#	3500-4200	3500-4250	-50
Gondal1	3400-4310	3250-4155	-45
Rajkot-(B.T)	3875-4350	3950-4375	-25
Abohar-J-34*	3350	3450	-100
Muktsar-J-34*	3350	3450	-100
Fajlika #(Cotton New) #(Kapas BT Cotton)	3500	3550	-50
	3600-4100	3700-4200	-100
Khandwa-(M.P)	3100-3200	3000-3100	+100
Khargaon-(M.P)	3700-4200	3600-4200	-
Sri-Ganganagar	3440	3440	Unch
Patan	-	-	-

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	12-10-2012	11-10-2012	
Amravati -Vunni Mech-1#	800	800	Unch
Kadi -Bt Cotton	3000	1000	+2000
Ahmedabad - Shankar-6#	8000	8000	Unch
Gondal	947	947	Unch
Rajkot-(B.T)	2210	2200	+10
Abohar	600	600	Unch
Muktsar	600	400	-200
Fajlika #(Cotton New) #(Kapas BT Cotton)	-	-	-
	1200	1000	+200
Khandwa (M.P)	-	-	-
Khargaon-(M.P)	6000	3000	+3000
Sri-Ganganagar	-	-	-



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

Cotton Association of India Spot Rates: 11/10/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (11/10/2012)	Rs. Per Candy (10/10/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	37300	37300	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	37600	37600	Unch
J-34(202)	26mm	3.5 - 4.9	23	31300	31600	-300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32500	32500	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	33300	33300	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	35200	35200	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35500	35500	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	46500	46500	Unch

Cotlook Index: As on 11/10/2012

Cotlook Indices	Cents/Pound	Change
A-Index	81.30	+0.15

China Cotton Index: As on 12/10/2012

Index	RMB/Ton	Change
CCIndex(328)	18683	+3
CCIndex(527)	16384	+5
CCIndex(229)	19602	+2

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

USDA Cotton Spot Rates: As on 11/10/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	67.71	70.71	666
North Delta	66.46	67.96	NIL
South Delta	66.46	67.96	NIL
East TX-OK	63.75	68.5	537
West Texas	63.25	69	1204
Desert SW	65.21	71.71	NIL
SJ Valley	65.96	76.61	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 11/10/2012

Contract	Open	High	Low	Close	Change
Oct-12	72	72	70.41	70.71	-1.39
Dec-12	72.75	72.75	71.26	71.4	-1.62
Mar-13	73.24	73.4	72.33	72.48	-1.57
May-13	74.15	74.31	73.22	73.26	-1.67
Jul-13	74.38	74.38	74.38	74.38	-1.59
Oct-13	76.07	76.07	74.98	75.02	-1.65

Pakistan Cotton Spot rates: As on 11/10/2012 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5575	155	5730
Equivalent	40 Kgs	5975	155	6130

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