

**Cotton Domestic Fundamentals:**

- Cotton prices noticed mixed tone on Monday.
- Lack –luster trading activities influenced the market.
- Some of the markets remained closed following ‘Amavasya’.
- Currently new crop arrivals are coming in the market with higher moisture content.
- Demand remains normal in the market and limited selling lend some support to the market.
- Millers are waiting for good quality crop arrivals in the coming days.
- New crop arrivals are picking up in various states.
- In Southern states, harvesting is likely to slow down amid expected rains in certain areas during the week.
- Normal kapas with minimum moisture content is expected in the market by November.
- 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.
- Net Upland sales of 121,000 running bales for the 2012/2013 marketing year were down 49 percent for the week ending on 12<sup>th</sup> October compared to previous week.
- Egypt greed to export 783 metric tons of cotton in the week through Oct. 11, according to the Alexandria Cotton Exporters Association. The country has shipped 4,871 tons of the fiber, valued at 10.87€ million, since Sept. 1 according to the association.
- China has set a new world record by harvesting 12,575 kg of seed cotton on a single hectare of land in northwest Xinjiang province according to a local media in China
- According to trade officials, floods in the cotton producing states of Pakistan affected around 1.5 million cotton bales.

**Outlook:** We expect domestic cotton prices to witness sideways to bearish tone amid expected increase in arrivals.

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

Contract	+/-	Open	High	Low	Close
Feb-13	15	898.00	909.50	897.00	909.50
Apr-13	17	929.50	954.00	928.00	949.50

**Volumes and OI in Lots**

Contract	Volume	Change	OI	Change
Feb-13	6	6	53	53
Apr-13	7537	3768	11220	642

Spread	Feb-13	Apr-13
Basis	-147	
Feb-13		33
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	14.2	905.2	927.5	905.2	923.7
Apr-13	15.3	928	951	927	946

**Volumes and OI lots**

Contract	Volume	Change	OI	Change
Feb-13	204	63	557	-28
Apr-13	733	151	452	1

Spread	Feb-13	Apr-13
Basis	-161.2	
Feb-13		22.3
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	1.44	15930	16200	15930	16190
30-Nov-12	1.52	15770	16020	15770	16000
31-Dec-12	1.52	15760	16000	15760	15990
31-Jan-13	0.88	15950	16080	15950	16040
28-Feb-13	1.81	16100	16300	16100	16300

**Cotton Prices at Key Spot Markets**

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	15-10-2012	13-10-2012	
Amravati-Vunni Mech-1#	Closed	3700	-
Kadi-Bt Cotton#	3800-4200	3750-4200	Unch
Ahmedabad-Shankar-6#	3500-4125	3500-4200	-75
Gondal1	2405-4300	3775-4250	+50
Rajkot-(B.T)	Closed	3875-4350	-
Abohar-J-34*	3350	3320	+30
Muktsar-J-34*	3350	3320	+30
Fajlika      #(Cotton New) #(Kapas BT Cotton)	-	3500	-
	-	3600-4100	-
Khandwa-(M.P)	Closed	3100-3200	-
Khargaon-(M.P)	Closed	3700-4200	-
Sri-Ganganagar	3380	3400	-20
Patan	Closed	-	-

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

**Cotton Arrivals in Key Centers**

Centre (1 bale = 170 Kg)	Arrivals		Change
	15-10-2012	13-10-2012	
Amravati -Vunni Mech-1#	Closed	600	-
Kadi -Bt Cotton	1500	2500	-1000
Ahmedabad - Shankar-6#	8000	7000	+1000
Gondal	1047	850	+197
Rajkot-(B.T)	Closed	2210	-
Abohar	600	700	-100
Muktsar	400	500	-100
Fajlika      #(Cotton New) #(Kapas BT Cotton)	-	-	-
	-	1200	-
Khandwa (M.P)	Closed	-	-
Khargaon-(M.P)	Closed	6000	-



Sri-Ganganagar	150	150	Unch
Patan	-	-	-

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

### Cotton Association of India Spot Rates: 13/10/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (13/10/2012)	Rs. Per Candy (12/10/2012)	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	31000	31000	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32400	32500	-100
Shankar-6(105)	29mm	3.5 - 4.9	28	33100	33100	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	35000	35200	-200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35300	35500	-200
DCH-32(107)	34mm	3.0 - 3.8	33	45500	46000	-500

### Cotlook Index: As on 12/10/2012

Cotlook Indices	Cents/Pound	Change
A-Index	79.85	-1.45

### China Cotton Index: As on 15/10/2012

Index	RMB/Ton	Change
CCIndex(328)	18687	+4
CCIndex(527)	16387	+3
CCIndex(229)	19604	+2

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

### USDA Cotton Spot Rates: As on 12/10/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	68.36	71.36	118
North Delta	67.11	68.61	NIL
South Delta	67.11	68.61	NIL
East TX-OK	64.50	69.25	240
West Texas	64.00	69.75	1750
Desert SW	65.86	72.36	NIL
SJ Valley	66.61	77.26	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 12/10/2012**

Contract	Open	High	Low	Close	Change
Oct-12	71.08	71.42	70.71	71.36	+0.65
Dec-12	71.50	72.01	71.33	71.91	+0.51
Mar-13	72.85	72.91	72.29	72.85	+0.37
May-13	73.31	73.61	73.31	73.61	+0.35
Jul-13	74.74	74.74	74.74	74.74	+0.36
Oct-13	75.15	75.45	75.15	75.45	+0.43

**Pakistan Cotton Spot rates: As on 13/10/2012 (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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