

Cotton Domestic Fundamentals:

- Cotton prices noticed steady to firm tone on Tuesday except slight weakness in Sri –Ganganagar market.
- Good demand for new crop arrival lend support to the market.
- According to trade sources, there is some export inquiry around current level.
- Arrivals are increasing in different states. In North India arrivals were less following rains in certain parts.
- Ginning activity is slow and is likely to pick up by November.
- Expected festival demand added to the positive tone of the market.
- Millers are waiting for good quality crop arrivals in the coming days.
- 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.
- According to USDA, around 34 percent of the crop has been harvested as on 14th October 2012 compared to four –year's average of 30 percent.
- Cotton futures at NYMEX closed higher for another consecutive day amid consolidation.
- Egypt agreed 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.
- Prices firmed up in Pakistan amid decline in arrivals in the local markets.
- 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

Outlook: We expect domestic cotton prices to notice steady to firm tone amid good demand for new crop arrival.

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

Contract	+/-	Open	High	Low	Close
Feb-13	1	908.00	915.00	902.00	904.50
Apr-13	-1	954.00	962.50	946.50	949.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	11	5	49	-4
Apr-13	7647	110	11247	27

Spread Feb-13 Apr-13

Basis	-129.5	
Feb-13		44.5
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	-0.6	927.2	936	922.5	923
Apr-13	16.2	950	959.1	944.1	946.9

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	372	168	556	-1
Apr-13	895	162	451	-1

Spread Feb-13 Apr-13

Basis	-148	
Feb-13		23.9
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	-0.25	16150	16310	16080	16140
30-Nov-12	-0.31	16050	16120	15860	15950
31-Dec-12	-0.88	16040	16100	15740	15850
31-Jan-13	-0.69	16220	16220	15900	15930
28-Feb-13	-0.49	16150	16150	16080	16100

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	16-10-2012	15-10-2012	
Amravati-Vunni Mech-1#	3850-3900	Closed	-
Kadi-Bt Cotton#	3800-4200	3800-4200	Unch
Ahmedabad-Shankar-6#	3500-4250	3500-4125	+125
Gondal1	2500-4400	2405-4300	+100
Rajkot-(B.T)	3990-4325	Closed	-
Abohar-J-34*	3400	3350	+50
Muktsar-J-34*	3400	3350	+50
Fajlika #(Cotton New) #(Kapas BT Cotton)	3470	-	-
	3600-4175	-	-
Khandwa-(M.P)	Closed	Closed	-
Khargaon-(M.P)	Closed	Closed	-
Sri-Ganganagar	3375	3380	-5
Patan	-	Closed	-

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	16-10-2012	15-10-2012	
Amravati -Vunni Mech-1#	700	Closed	-
Kadi -Bt Cotton	4000	1500	+2500
Ahmedabad - Shankar-6#	8000	8000	Unch
Gondal	775	1047	-272
Rajkot-(B.T)	2250	Closed	-
Abohar	500	600	-100
Muktsar	300	400	-100
Fajlika #(Cotton New) #(Kapas BT Cotton)	-	-	-
	1000	-	-
Khandwa (M.P)	Closed	Closed	-



Khargaon-(M.P)	Closed	Closed	-
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 15/10/2012

Cotlook Indices	Cents/Pound	Change
A-Index	80.25	+0.40

China Cotton Index: As on 16/10/2012

Index	RMB/Ton	Change
CCIndex(328)	18691	+4
CCIndex(527)	16392	+5
CCIndex(229)	19607	+3

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

USDA Cotton Spot Rates: As on 15/10/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	69.34	72.34	NIL
North Delta	68.34	69.84	NIL
South Delta	68.34	69.84	NIL
East TX-OK	65.75	70.5	1157
West Texas	65.25	71	2655
Desert SW	66.84	73.34	NIL
SJ Valley	67.59	78.24	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 15/10/2012

Contract	Open	High	Low	Close	Change
Oct-12	71.43	72.4	71.09	72.34	0.98
Dec-12	71.95	73	71.74	72.95	1.04
Mar-13	72.94	73.87	72.73	73.84	0.99
May-13	73.65	74.55	73.56	74.53	0.92
Jul-13	75.61	75.61	74.61	75.61	0.87
Oct-13	75.5	76.35	75.42	76.24	0.79

Pakistan Cotton Spot rates: As on 15/10/2012 (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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