

Cotton Domestic Fundamentals:

- Cotton prices noticed firm tone on Monday.
- Cotton prices are surging due to rise in buying from the millers which are riding on higher demand from the market due to festive season, in which demand from garments increase.
- Cotton prices are likely to fall in November due to higher supplies that are expected in the market and the festive off take by the millers.
- Cotton off take is low amid low buying from exporters and millers. Demand is expected to pick up after Navaratri festival, in exports.

Cotton International Fundamentals

- Egypt has agreed to export 566 tonnes of cotton in the week ending on October 18, 2012. Till latest information Egypt has exported 5437 tonne of cotton.
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- USA and Pakistan are the only major Cotton producing countries where cotton production is expected to rise from previous year. While USA is battling from its lower quality cotton in first plucking season where as Pakistan is witnessing good arrivals in the market amid demand.

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	38.5	955	965.5	931	965.5
Apr-13	17.5	996	1023	992	1011.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	2	-3	51	2
Apr-13	14330	5462	12312	-197

Spread Feb-13 Apr-13

Basis	-555.5	
Feb-13		46
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	37.7	978.9	992.8	963.9	982
Apr-13	19.2	995.4	1018	989.1	1008.7

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	828	324	586	-4
Apr-13	1470	759	399	10

Spread Feb-13 Apr-13

Basis	-572	
Feb-13		26.7
April-13		

B: 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	1.14	16670	16960	16620	16800
30-Nov-12	0.78	16650	16920	16560	16710
31-Dec-12	0.78	16650	16990	16550	16730
31-Jan-13	0.48	16800	17040	16750	16800
28-Feb-13	0.48	17010	17050	16900	16900

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	22-10-2012	20-10-2012	
Amravati-Vunni Mech-1#	4100	4000	+100
Kadi-Bt Cotton#	4200-4500	4100-4450	-50
Ahmedabad-Shankar-6#	4250-4500	4000-4300	+200
Gondal1	3750-4555	2500-4285	+270
Rajkot-(B.T)	4245-4575	4100-4440	+135
Abohar-J-34*	3525	3510	+15
Muktsar-J-34*	3525	3510	+15
Fajlika #(Cotton New) #(Kapas BT Cotton)	3500	3450	+50
	4000-4380	4250	+130
Khandwa-(M.P)	Closed	4100-4200	-
Khargaon-(M.P)	Closed	3900-4350	-
Sri-Ganganagar	3440	3370	+70
Patan		-	-

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	22-10-2012	20-10-2012	
Amravati -Vunni Mech-1#	1200	700	+500
Kadi -Bt Cotton	5000	2500	+2500
Ahmedabad - Shankar-6#	15000	10000	+5000
Gondal	1070	859	+211
Rajkot-(B.T)	2150	1800	+350
Abohar	1100	600	+500
Muktsar	400	125	+275
Fajlika #(Cotton New) #(Kapas BT Cotton)	-	-	-
	1800	1800	Unch
Khandwa (M.P)	Closed	200	-
Khargaon-(M.P)	Closed	6000	-
Sri-Ganganagar	3000	500	+2500
Patan		-	-

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

Cotton Association of India Spot Rates: 22/10/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (22/10/2012)	Rs. Per Candy (20/10/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	41400	41400	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41700	41700	Unch
J-34(202)	26mm	3.5 - 4.9	23	31700	31700	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32800	32800	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	33600	33600	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34900	34900	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35500	35500	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	45500	45500	Unch

Cotlook Index: As on 22/10/2012

Cotlook Indices	Cents/Pound	Change
A-Index	85.30	Unch

China Cotton Index: As on 22/10/2012

Index	RMB/Ton	Change
CCIndex(328)	18696	Unch
CCIndex(527)	16405	+3
CCIndex(229)	19614	+1

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

USDA Cotton Spot Rates: As on 22/10/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	74.13	77.13	122
North Delta	73.13	74.63	NIL
South Delta	73.13	74.63	NIL
East TX-OK	73.13	74.63	1043
West Texas	69.50	75.25	2071
Desert SW	71.38	77.88	NIL
SJ Valley	72.13	82.78	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 19/10/2012

Contract	Open	High	Low	Close	Change
Dec-12	77.72	77.92	76.52	76.88	-0.84
Mar-13	75.20	75.60	74.26	75.43	Unch
May-13	75.54	76.50	75.10	76.34	+0.15
Jul-13	76.05	77.68	75.09	77.42	+0.58
Oct-13	78.20	78.20	78.20	78.20	+0.50
Dec-13	77.75	79.00	77.75	78.96	+0.52

Pakistan Cotton Spot rates: As on 22/10/2012 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5700	155	5855
Equivalent	40 Kgs	6109	155	6264

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