

**Cotton Domestic Fundamentals:**

- Cotton prices noticed weak tone on Thursday except in Amravati market.
- Yarn production is expected to grow by 6.8 percent from 5.9 percent earlier estimated, according to CMIE. This is mainly due to value added exports to China, which has reduced cotton import but has raised yarn imports.
- Andhra Pradesh market is expecting to procurement of cotton by CCI and NAFED to begin soon, this has raised prices for the crop which was being purchased below MSP levels. Also, after the announcement, cotton prices jumped above MSP.
- Cotton prices are rising as farmers are not willing to sell at lower levels and reports of exports to china, also poor quality cotton arrivals in market also boosted price sentiments.
- Exports target of cotton has dipped 46 percent to 7 million bales for this 2011-12, by CAB.
- 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 International Fundamentals**

- China cotton reserve is now over a million tones; also international prices are going up.
- Uzbekistan has harvested 3.35 million tonne of cotton this year. 90 percent of this is a high quality crop.
- China Cotton production by USDA is slightly up at 31.50 million bales from previous of 31 million bales.

**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	-16	945	945	945	945
Apr-13	1.5	999.5	1009	989	1000.50

**Volumes and OI in Lots**

Contract	Volume	Change	OI	Change
Feb-13	2	1	51	0
Apr-13	9118	-849	12598	395

**Spread Feb-13 Apr-13**

Basis	-520	
Feb-13		55.5
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/20/kg)**

Contract	+/-	Open	High	Low	Close
Feb-13	0.6	969.9	980	961.2	971.7
Apr-13	2	990	1004.8	986	997.1

**Volumes and OI lots**

Contract	Volume	Change	OI	Change
Feb-13	316	-230	578	2
Apr-13	683	-199	366	3

**Spread Feb-13 Apr-13**

Basis	-546.7	
Feb-13		25.4
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	-1.09	16450	16480	16330	16400
30-Nov-12	-1.52	16340	16350	16220	16240
31-Dec-12	-1.52	16260	16380	16200	16240
31-Jan-13	-1.27	16400	16430	16340	16380
28-Feb-13	-1.43	16550	16580	16500	16500

**Cotton Prices at Key Spot Markets**

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	25-10-2012	23-10-2012	
Amravati-Vunni Mech-1#	4250	4100	+150
Kadi-Bt Cotton#	4400	4200-4500	-100
Ahmedabad-Shankar-6#	4400	4250-4500	-100
Gondal1	4510	2760-4605	-95
Rajkot-(B.T)	4545	4220-4600	-55
Abohar-J-34*	3500	3540	-40
Muktsar-J-34*	3495	3540	-45
Fajlika      #(Cotton New) #(Kapas BT Cotton)	3460	3480	-20
	4120	4250	-130
Khandwa-(M.P)	4300	Closed	-
Khargaon-(M.P)	4300	Closed	-
Sri-Ganganagar	Closed	3435	-
Patan		-	-

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

**Cotton Arrivals in Key Centers**

Centre (1 bale = 170 Kg)	Arrivals		Change
	25-10-2012	23-10-2012	
Amravati -Vunni Mech-1#	500	1500	-1000
Kadi -Bt Cotton	7000	5000	+2000
Ahmedabad - Shankar-6#	14000	15000	-1000
Gondal	1150	841	+309
Rajkot-(B.T)	2400	1700	+700
Abohar	1000	1200	-200
Muktsar	450	350	+100
Fajlika      #(Cotton New) #(Kapas BT Cotton)	-	-	-
	1500	2200	-700
Khandwa (M.P)	1200	Closed	-
Khargaon-(M.P)	6000	Closed	-
Sri-Ganganagar	Closed	1000	-
Patan	-	-	-

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

**Cotton Association of India Spot Rates: 23/10/2012**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (23/10/2012)	Rs. Per Candy (22/10/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	41900	41600	+300
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42200	41900	+300
J-34(202)	26mm	3.5 - 4.9	23	32000	31800	+200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	-	33500	-
Shankar-6(105)	29mm	3.5 - 4.9	28	34400	34200	+200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	35300	35200	+100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	36000	36000	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	-	45500	-

**Cotlook Index: As on 24/10/2012**

Cotlook Indices	Cents/Pound	Change
A-Index	83.10	-1.55

**China Cotton Index: As on 25/10/2012**

Index	RMB/Ton	Change
CCIndex(328)	18703	+2
CCIndex(527)	16417	+6
CCIndex(229)	19620	+2

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

**USDA Cotton Spot Rates: As on 24/10/2012**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	69.92	72.92	2402
North Delta	68.92	70.42	306
South Delta	68.92	70.42	NIL
East TX-OK	66	71.75	998
West Texas	67.17	73.67	NIL
Desert SW	67.92	78.57	NIL
SJ Valley	66.5	71.25	664

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 24/10/2012**

Contract	Open	High	Low	Close	Change
Dec-12	74.3	74.34	72.06	72.67	-1.6
Mar-13	73.9	73.97	72.35	72.52	-1.42
May-13	74.89	74.89	73.48	73.67	-1.32
Jul-13	76.15	76.15	74.6	74.87	-1.2
Oct-13	75.97	75.97	75.97	75.97	-0.88
Dec-13	76.61	77.24	76.6	76.84	-0.79

**Pakistan Cotton Spot rates: As on 24/10/2012 (in Pakistan Rupees)**

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5650	155	5805
Equivalent	40 Kgs	6055	155	6210

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