

Cotton Domestic Fundamentals:

- Cotton prices noticed steady to weak tone on Friday.
- Cotton exports are not going to be affected by China's decision for not selling huge cotton reserve it has created.
- 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.

Cotton International Fundamentals

- Global cotton output has been raised by 2.8 million bales and consumption lowered by 680,000 bales. All major producing countries China, Pakistan, India and USA have raised their estimated.
- USA has exported 34,500 bales for 2013-12, mainly to China.
- China cotton reserve is now over a million tones; also international prices are going up.

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	-	-	-	-	-
Apr-13	-	-	-	-	-

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	-	-	-	-
Apr-13	-	-	-	-

Spread Feb-13 Apr-13

Basis	-	-
Feb-13		-
April-13		

NB: Spread was done by taking avg spot prices at Ahmedabad – Shankar-6 market. Basis = Spot- April

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Contract	Volume	Change	OI	Change
Feb-13	-	-	-	-
Apr-13	-	--	-	-

Spread Feb-13 Apr-13

Basis	-	
Feb-13		-
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	-	-	-	-	-
30-Nov-12	-	-	-	-	-
31-Dec-12	-	-	-	-	-
31-Jan-13	-	-	-	-	-
28-Feb-13	-	-	-	-	-

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	26-10-2012	25-10-2012	
Amravati-Vunni Mech-1#	4200	4250	-50
Kadi-Bt Cotton#	4400	4400	Unch
Ahmedabad-Shankar-6#	4500	4400	+100
Gondal1	4650	4510	+140
Rajkot-(B.T)	4550	4545	+5
Abohar-J-34*	3475	3500	-25
Muktsar-J-34*	3475	3495	-20
Fajlika #(Cotton New) #(Kapas BT Cotton)	3430	3460	-30
	4100	4120	-20
Khandwa-(M.P)	4300	4300	Unch
Khargaon-(M.P)	-	4300	-
Sri-Ganganagar	3410	Closed	-
Patan	-	-	-

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	26-10-2012	25-10-2012	
Amravati -Vunni Mech-1#	1000	500	+500
Kadi -Bt Cotton	5000	7000	-2000
Ahmedabad - Shankar-6#	10000	14000	-4000
Gondal	1180	1150	+30
Rajkot-(B.T)	2250	2400	-150
Abohar	1200	1000	+200
Muktsar	450	450	Unch
Fajlika #(Cotton New) #(Kapas BT Cotton)	-	-	-
	1800	1500	+300
Khandwa (M.P)	800	1200	-400
Khargaon-(M.P)	-	6000	-
Sri-Ganganagar	4000	Closed	-
Patan	-	-	-

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

Cotton Association of India Spot Rates: 25/10/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (25/10/2012)	Rs. Per Candy (23/10/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	41900	41900	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	42200	42200	Unch
J-34(202)	26mm	3.5 - 4.9	23	31700	32000	-300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33300	-	-
Shankar-6(105)	29mm	3.5 - 4.9	28	33900	34400	-500
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34800	35300	-500
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35500	36000	-500
DCH-32(107)	34mm	3.0 - 3.8	33	45500	-	-

Cotlook Index: As on 25/10/2012

Cotlook Indices	Cents/Pound	Change
A-Index	81.75	-1.35

China Cotton Index: As on 25/10/2012

Index	RMB/Ton	Change
CCIndex(328)	18704	+1
CCIndex(527)	16422	+5
CCIndex(229)	19620	Unch

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

USDA Cotton Spot Rates: As on 25/10/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	69.98	72.98	18
North Delta	68.98	70.48	86
South Delta	68.98	70.48	NIL
East TX-OK	66.5	71.25	176
West Texas	66	71.75	3873
Desert SW	67.23	73.73	NIL
SJ Valley	67.98	78.63	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 25/10/2012

Contract	Open	High	Low	Close	Change
Dec-12	72.38	73.5	72.18	72.73	0.06
Mar-13	72.5	73.55	72.4	72.97	0.45
May-13	74.04	74.43	73.55	74.16	0.49
Jul-13	74.85	75.57	74.5	75.31	0.44
Oct-13	76.45	76.45	76.45	76.45	0.48
Dec-13	77.37	77.5	76.56	77.31	0.47

Pakistan Cotton Spot rates: As on 25/10/2012 (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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