

**Cotton Domestic Fundamentals:**

- Cotton prices witnessed steady to firm tone on Wednesday.
- Some of the markets remained closed following a local holiday.
- Good buying by the mills supported prices.
- Lower arrivals during this time of the year are adding to the positive tone of the market.
- Cotton arrivals have fallen by 33 percent this cotton year starting from October. It is down from 1.3 million bales to 869,000 bales.
- Cyclone in parts of Tamil Nadu and Andhra Pradesh is likely to affect harvesting activities in the near – term.
- According to trade sources in Gujarat, supply is likely to increase after Diwali and will weigh on prices.
- Farmers are likely to bring less crop to the mandis during the festival season, thereby supporting prices in the medium –term.
- Tamil Nadu miller's consortium is planning to buy cotton of Rs. 30 billion for this cotton season.
- In certain markets of Maharashtra, demand was witnessed for cottonseed.

**Cotton International Fundamentals**

- Cotton futures at NYMEX closed lower following profit –booking around current levels amid absence of traders. Sandy Storm has affected New York and most of the traders were absent during the day.
- Cotton prices are steady to firm in Pakistan amid lack of selling around current levels.
- 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.

**Outlook:** We expect domestic cotton prices to continue steady to firm tone in the near –term amid good demand from the mills.

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

Contract	+/-	Open	High	Low	Close
Feb-13	3.5	953.5	960	950	950
Apr-13	-10.5	1002	1008	993	994.50

**Volumes and OI in Lots**

Contract	Volume	Change	OI	Change
Feb-13	3	-1	46	0
Apr-13	7186	-1648	13122	199

**Spread Feb-13 Apr-13**

Basis	-55.5	
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/20/kg)**

Contract	+/-	Open	High	Low	Close
Feb-13	-6.9	979.5	983.9	970.4	971.1
Apr-13	-8.8	1003.9	1005	991.1	993

**Volumes and OI lots**

Contract	Volume	Change	OI	Change
Feb-13	394	3	624	22
Apr-13	692	-73	426	39

**Spread Feb-13 Apr-13**

Basis	-85.5	
Feb-13		21.9
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	-2.73	16450	16450	15990	16010
30-Nov-12	-0.73	16500	16500	16260	16320
31-Dec-12	-0.55	16450	16450	16280	16350
31-Jan-13	-0.42	16500	16500	16310	16410
28-Feb-13	-0.18	16500	16530	16460	16460

**Cotton Prices at Key Spot Markets**

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	31-10-2012	30-10-2012	
Amravati-Vunni Mech-1#	-	4100	-
Kadi-Bt Cotton#	4500	4500	Unch
Ahmedabad-Shankar-6#	-	4500	-
Gondal1	-	4500	-
Rajkot-(B.T)	-	4525	-
Abohar-J-34*	3475	3460	+15
Muktsar-J-34*	3470	3460	+10
Fajlika      #(Cotton New) #(Kapas BT Cotton)	3460	3460	Unch
	4180	4160	+20
Khandwa-(M.P)	-	-	-
Khargaon-(M.P)	-	-	-
Sri-Ganganagar	3380	3380	Unch
Patan	-	-	-

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

**Cotton Arrivals in Key Centers**

Centre (1 bale = 170 Kg)	Arrivals		Change
	31-10-2012	30-10-2012	
Amravati -Vunni Mech-1#	-	1500	-
Kadi -Bt Cotton	12500	12500	Unch
Ahmedabad - Shankar-6#	-	12000	-
Gondal	-	2000	-
Rajkot-(B.T)	-	4200	-
Abohar	1100	1500	-400
Muktsar	500	500	Unch
Fajlika      #(Cotton New) #(Kapas BT Cotton)	-	-	-
	1300	2000	-700

Khandwa (M.P)	-	-	-
Khargaon-(M.P)	-	-	-
Sri-Ganganagar	5000	5000	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: 30/10/2012**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (30/10/2012)	Rs. Per Candy (29/10/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	40900	40700	+200
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41400	41100	+300
J-34(202)	26mm	3.5 - 4.9	23	31500	31200	+300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33100	32900	+200
Shankar-6(105)	29mm	3.5 - 4.9	28	33800	33500	+300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34200	34000	+200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	34700	34500	+200
DCH-32(107)	34mm	3.0 - 3.8	33	45500	45500	Unch

**Cotlook Index: As on 30/10/2012**

Cotlook Indices	Cents/Pound	Change
A-Index	81.95	+0.15

**China Cotton Index: As on 31/10/2012**

Index	RMB/Ton	Change
CCIndex(328)	18709	+1
CCIndex(527)	16434	+2
CCIndex(229)	19625	Unch

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

**USDA Cotton Spot Rates: As on 30/10/2012**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	68.17	71.17	NIL
North Delta	67.17	68.67	440
South Delta	67.17	68.67	NIL
East TX-OK	66	70.75	NIL
West Texas	65.5	71.25	3887
Desert SW	65.42	71.92	NIL
SJ Valley	66.17	76.82	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 30/10/2012**

Contract	Open	High	Low	Close	Change
Dec-12	72.75	73.13	70.75	70.92	-1.69
Mar-13	73.2	73.69	71.89	72	-1.19
May-13	74.38	74.81	73	73.13	-1.24
Jul-13	75.53	75.9	74.07	74.21	-1.31
Oct-13	75.74	75.74	75.74	75.74	-1.33
Dec-13	78	78	76.35	76.48	-1.38

**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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