

Cotton Domestic Fundamentals:

- Cotton exports from India have come to a halt, as price in the global market are lower than in India.
- Cotton exports would stands at 7 million bales, compare with 12 million bales last year, as china which accounts 65% of India's cotton exports, was cutting its imports by half.
- Prices are trending lower than MSP levels in major regions of Haryana, due to low quality cotton.
- 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

- Uzbekistan has record cotton production for this year cotton season.
- 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	-12	928.00	928.00	918.00	918.00
Apr-13	-25.0	980.00	982.00	955.00	956.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	2	-2	44	-2
Apr-13	8469.00	649.00	12722.00	732.00

Spread

	Feb-13	Apr-13
Basis	-120	
Feb-13		47
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	-	-	-	-	-
Apr-13	-20.4	979.5	980	955.5	959.6

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	-	-	-	-
Apr-13	543	-235	550	56

Spread

	Feb-13	Apr-13
Basis	-143.5	
Feb-13		22.5
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	-0.56	16070	16070	15870	15960
30-Nov-12	-0.5	16000	16020	15940	15980
31-Dec-12	-0.68	16100	16100	16030	16060
31-Jan-13	-0.86	16210	16250	16200	16200
28-Feb-13	-0.73	16450	16450	16360	16390

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	03-11-2012	02-11-2012	
Amravati-Vunni Mech-1#	4050	4050	Unch
Kadi-Bt Cotton#	4400	4400	Unch
Ahmedabad-Shankar-6#	4400	4500	-100
Gondal1	4500	4800	-300
Rajkot-(B.T)	4525	4480	+45
Abohar-J-34*	3425	3450	-25
Muktsar-J-34*	3425	3450	-25
Fajlika #(Cotton New) #(Kapas BT Cotton)	3400	-	-
	4150	-	-
Khandwa-(M.P)	-	4350	-
Khargaon-(M.P)	-	4350	-
Sri-Ganganagar	3380	3380	Unch
Patan	-	-	-

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	03-11-2012	02-11-2012	
Amravati -Vunni Mech-1#	800	800	Unch
Kadi -Bt Cotton	20000	17500	+2500
Ahmedabad - Shankar-6#	15000	15000	Unch
Gondal	910	4000	-3090
Rajkot-(B.T)	2400	3200	-800
Abohar	1200	1200	Unch
Muktsar	500	550	-50
Fajlika #(Cotton New) #(Kapas BT Cotton)	-	-	-
	1500	-	-
Khandwa (M.P)	-	1200	-
Khargaon-(M.P)	-	5000	-
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: 02/11/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (02/11/2012)	Rs. Per Candy (01/11/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	40700	40700	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	41200	41200	Unch
J-34(202)	26mm	3.5 - 4.9	23	31100	31300	-200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33100	33100	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	33600	33800	-200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34000	34200	-200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	34700	34700	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	45500	45500	Unch

Cotlook Index: As on 02/11/2012

Cotlook Indices	Cents/Pound	Change
A-Index	80.30	Unch

China Cotton Index: As on 02/11/2012

Index	RMB/Ton	Change
CCIndex(328)	18721	+3
CCIndex(527)	16448	+6
CCIndex(229)	19637	+4

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

USDA Cotton Spot Rates: As on 02/11/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	67.85	70.85	NIL
North Delta	66.6	68.1	239
South Delta	66.6	68.1	NIL
East TX-OK	65.25	70	60
West Texas	65.25	71	5576
Desert SW	64.85	71.35	NIL
SJ Valley	65.6	76.25	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 02/11/2012

Contract	Open	High	Low	Close	Change
Dec-12	70.28	70.54	69.66	70.35	0.14
Mar-13	71.51	71.78	70.78	71.44	-0.06
May-13	72.92	72.92	72.05	72.7	-0.04
Jul-13	74.07	74.07	73.23	73.79	-0.09
Oct-13	75.37	75.37	75.37	75.37	-0.09
Dec-13	76.22	76.22	75.45	75.97	-0.15

Pakistan Cotton Spot rates: As on 02/11/2012 (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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