

**Cotton Domestic Fundamentals:**

- Cotton prices noticed firm tone on Friday.
- Arrivals are declining in various mandis. Farmers are bringing less crop to the market ahead of festival.
- Lower supply in the spot market will support prices in the near –term.
- Crop loss in Andhra Pradesh is adding to the positive tone of the market.
- According to official estimates, cotton crop has been damaged in 75,000 acres of land in Guntur district of Andhra Pradesh. This will affect the ginning industry.
- The yield is likely to fall in this area from the average yield of 10 quintals/acre.
- According to trade sources, around 40% of the crop is damaged in Sirsa district of Haryana and average yield is expected to be around 5 -6 quintals /acre.
- In Marathwada region of Maharashtra, low to medium intensity sucking pests is noticed in cotton crop.
- Maharashtra Government is likely to open procurement centers from November 11.
- The Government has formed a contingency plan to procure 90 lakh bales for the 2012-13 season. The Government expects to open 288 procurement centres in nine cotton growing States.
- According to CMIE, total yarn production is expected to increase by 6.8 percent in the current season following increase in cotton yarn production.
- According to a press statement, the Government of India has revised MSP prices for medium staple cotton from Rs. 2800/ qtl to Rs. 3600/ qtl and for long staple cotton from Rs. 3300/ qtl to Rs. 3900/ qtl for cotton season 2012-13.

**Cotton International Fundamentals**

- According to the data from Chinese customs, China totally imported 1.08 million tonnes of cotton yarn in the first 9 months of 2012, up a massive 74.17 percent or 462,800 tons over the same period last year.
- Textile mills in China have been affected following higher price in the domestic market and weak demand.
- Cotton futures at NYMEX continued weak tone amid concerns of slowdown in economy.
- Textile millers in Pakistan are looking for cheaper cotton imports amid higher prices in the domestic market.
- They are purchasing cotton in higher quantity to meet yarn demand from China.
- Prices are steady to firm in Pakistan amid lower production in the country during this season.
- According to association officials, cotton output in Ivory coast is expected to increase by 47% to 500,000 metric tonnes in 2015.

**Outlook:** We expect domestic cotton prices to notice sideways to firm tone in the near –term amid lower arrivals in the market.

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

Contract	+/-	Open	High	Low	Close
Feb-13					
Apr-13	-8.5	976.5	978	967	968

**Volumes and OI in Lots**

Contract	Volume	Change	OI	Change
Feb-13				
Apr-13	4819	-1834	13334	142

**Spread Feb-13 Apr-13**

Basis	-55
Feb-13	
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	-4.4	959.9	959.9	942.8	943.9
Apr-13	-6.3	979	979	966	967

**Volumes and OI lots**

Contract	Volume	Change	OI	Change
Feb-13	191	-83	590	-28
Apr-13	393	-283	537	0

**Spread Feb-13 Apr-13**

Basis	-73.9
Feb-13	23.1
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	-0.62	16200	16210	16060	16100
30-Nov-12	-0.43	16190	16190	16060	16130
31-Dec-12	-0.68	16260	16260	16120	16180
31-Jan-13	-0.85	16290	16300	16230	16240
28-Feb-13	-0.79	16470	16470	16350	16350

**Cotton Prices at Key Spot Markets**

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	09-11-2012	08-11-2012	
Amravati-Vunni Mech-1#	4150	-	-
Kadi-Bt Cotton#	4200-4450	4200-4400	+50
Ahmedabad-Shankar-6#	4250-4450	4250-4425	+25
Gondal1	2500-4505	3750-4515	-10
Rajkot-(B.T)	4200-4500	4100-4475	+25
Abohar-J-34*	3500	3490	+10
Muktsar-J-34*	3500	3490	+10
Fajlika      #(Cotton New) #(Kapas BT Cotton)	3500	3400	+100
	4325	4290	+35
Khandwa-(M.P)	4175-4275	4190-4250	+25
Khargaon-(M.P)	4150-4250	4150-4250	Unch
Sri-Ganganagar	3410	3380-3390	+20
Patan	-	-	-

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

**Cotton Arrivals in Key Centers**

Centre (1 bale = 170 Kg)	Arrivals		Change
	09-11-2012	08-11-2012	
Amravati -Vunni Mech-1#	1500	-	-
Kadi -Bt Cotton	15000	25000	-10000
Ahmedabad - Shankar-6#	20000	22000	-2000
Gondal	709	1023	-314
Rajkot-(B.T)	2000	2400	-400
Abohar	1000	1000	Unch
Muktsar	450	450	Unch
Fajlika      #(Cotton New) #(Kapas BT Cotton)	-	-	-
	1800	1800	Unch
Khandwa (M.P)	2000	1200	+800



Khargaon-(M.P)	5000	6000	<b>-1000</b>
Sri-Ganganagar	7000	7000	<b>Unch</b>
Patan	-	-	-

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

### Cotton Association of India Spot Rates: 08/11/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (08/11/2012)	Rs. Per Candy (07/11/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	40200	40200	<b>Unch</b>
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	40700	40700	<b>Unch</b>
J-34(202)	26mm	3.5 - 4.9	23	31500	31200	<b>+300</b>
H-4/ ME CH-1(105)	28mm	3.5 - 4.9	27	33000	33200	<b>-200</b>
Shankar-6(105)	29mm	3.5 - 4.9	28	33500	33500	<b>Unch</b>
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	35000	34500	<b>+500</b>
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35800	35300	<b>+500</b>
DCH-32(107)	34mm	3.0 - 3.8	33	44700	44700	<b>Unch</b>

### Cotlook Index: As on 08/11/2012

Cotlook Indices	Cents/Pound	Change
A-Index	80.05	<b>Unch</b>

### China Cotton Index: As on 09/11/2012

Index	RMB/Ton	Change
CCIndex(328)	18754	<b>+5</b>
CCIndex(527)	16480	<b>+5</b>
CCIndex(229)	19659	<b>+2</b>

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

### USDA Cotton Spot Rates: As on 08/11/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	67.01	70.01	<b>778</b>
North Delta	65.76	67.26	NIL
South Delta	65.76	67.26	NIL
East TX-OK	64.5	69	<b>1081</b>
West Texas	64.5	70.25	<b>8177</b>
Desert SW	63.76	70.26	NIL
SJ Valley	64.51	75.16	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 07/11/2012**

Contract	Open	High	Low	Close	Change
Dec-12	70.08	70.54	69.8	69.83	-0.27
Mar-13	71.27	71.74	70.91	71.07	-0.17
May-13	72.59	72.83	72.04	72.22	-0.16
Jul-13	73.45	73.69	73	73.12	-0.13
Oct-13	74.89	74.89	74.89	74.89	-0.03
Dec-13	76	76	75.38	75.57	-0.07

**Pakistan Cotton Spot rates: As on 08/11/2012 (in Pakistan Rupees)**

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5850	155	6005
Equivalent	40 Kgs	6269	155	6424

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