

Cotton Domestic Fundamentals:

- Cotton markets traded steady to weak on Thursday.
- Demand remains lack –luster around current levels.
- Buyers are waiting for better levels in the medium –term.
- Cotton production estimates at 320 lakh bales for this season, Agriwatch research.
- Farmers in the Vidarbha area of Maharashtra are getting less remuneration for their crop amid lack of demand from the textile mills.
- In Sindh area, there was active buying by mills around current levels ahead of a long weekend.
- Cotton Association of India decreased production estimates of cotton by 5% this year to 354 lakh bales.
- The MSP of medium staple cotton was hiked to Rs 3,600 a quintal from Rs 2,800 and that of long staple cotton was raised up to Rs 3,900 a quintal from Rs 3,300.
- Cotton yarn prices noticed steady to firm tone following good export demand.

Cotton International Fundamentals

- Net Sales of USA cotton is running in 370,000 bales for 2012-13, Mainly to China and India.
- Cotton futures at NYMEX closed higher amid anticipated demand from China.
- According to the General Administration of Customs, China's October cotton imports rose 7.8% from a year earlier to 272,051 metric tons, the General Administration of Customs said Wednesday.
- Australian cotton production rose by 12 percent to 944,000 tonnes as reported by Australian Bureau of Statistics.
- Cotton prices firmed up in Pakistan ahead of 'Muharram'.

Outlook: We expect domestic cotton prices to notice sideways to weak tone in the near –term amid lower demand.

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

| Contract | +/- | Open | High | Low | Close |
|----------|-----|------|------|-------|-------|
| Feb-13 | -4 | 939 | 939 | 923.5 | 928 |
| Apr-13 | -12 | 977 | 978 | 954.5 | 962.5 |

Volumes and OI in Lots

| Contract | Volume | Change | OI | Change |
|----------|--------|--------|-------|--------|
| Feb-13 | 8 | 6 | 40 | -2 |
| Apr-13 | 8688 | 4420 | 13797 | 276 |

Spread Feb-13 Apr-13

| | |
|----------|------|
| Basis | -40 |
| Feb-13 | 32.5 |
| 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/20kg)

| Contract | +/- | Open | High | Low | Close |
|----------|------|-------|-------|-----|-------|
| Feb-13 | -2 | 961.3 | 964.5 | 952 | 960 |
| Apr-13 | -7.4 | 975.3 | 980.4 | 962 | 970 |

Volumes and OI lots

| Contract | Volume | Change | OI | Change |
|----------|--------|--------|-----|--------|
| Feb-13 | 554 | 204 | 798 | -19 |
| Apr-13 | 672 | 317 | 586 | 60 |

Spread Feb-13 Apr-13

| | |
|----------|-----|
| Basis | -70 |
| Feb-13 | 10 |
| April-13 | |

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

MCX Cotton Futures (29 mm Variety): Prices in Bales

| Contract | % Change | Open | High | Low | Close |
|-----------|----------|-------|-------|-------|-------|
| 30-Nov-12 | -0.18 | 16250 | 16280 | 16140 | 16200 |
| 31-Dec-12 | -0.37 | 16270 | 16320 | 16160 | 16210 |
| 31-Jan-13 | -0.37 | 16340 | 16360 | 16230 | 16260 |
| 28-Feb-13 | -0.55 | 16470 | 16500 | 16350 | 16390 |
| 29-Mar-13 | -0.84 | 16620 | 16620 | 16580 | 16580 |

Cotton Prices at Key Spot Markets

| Centre (1 bale = 170 Kg) | Prices (Rs/Qtl) | | Change |
|--------------------------|-----------------|------------|--------|
| | 22-11-2012 | 21-11-2012 | |
| Amravati-Vunni Mech-1# | 4050 | 4100 | -50 |
| Kadi-Bt Cotton# | 4250 | 4250 | Unch |
| Ahmedabad-Shankar-6# | 4450 | 4450 | Unch |
| Gondal1 | 4395 | 4500 | -105 |
| Rajkot-(B.T) | 4475 | - | - |
| Abohar-J-34* | 3490 | 3505 | -15 |
| Muktsar-J-34 *(Cotton) | 3495 | 3505 | -10 |
| #(Kapas BT Cotton) | 4180 | 4250 | -70 |
| Fajlika #(Cotton New) | - | - | - |
| #(Kapas BT Cotton) | - | - | - |
| Khandwa-(M.P) | 4175 | 4200 | -25 |
| Khargaon-(M.P) | 4175 | 4200 | -25 |
| Sri-Ganganagar | 3420 | 3440 | -20 |
| Patan | | - | - |

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

Cotton Arrivals in Key Centers

| Centre (1 bale = 170 Kg) | Arrivals | | Change |
|--------------------------|------------|------------|--------|
| | 22-11-2012 | 21-11-2012 | |
| Amravati -Vunni Mech-1# | 1000 | 1200 | -200 |
| Kadi -Bt Cotton | 30000 | 35000 | -5000 |
| Ahmedabad - Shankar-6# | 30000 | 25000 | +5000 |
| Gondal | 1439 | 1620 | -181 |
| Rajkot-(B.T) | 2400 | - | - |
| Abohar-J-34* | 1500 | 400 | +1100 |
| Muktsar-J-34 *(Cotton) | 500 | 500 | Unch |
| #(Kapas BT Cotton) | 500 | 500 | Unch |
| Fajlika #(Cotton New) | - | - | - |

| | | | |
|--------------------|-------|------|--------------|
| #(Kapas BT Cotton) | - | - | - |
| Khandwa (M.P) | 4000 | 3500 | +500 |
| Khargaon-(M.P) | 10000 | 9000 | +1000 |
| 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: 21/11/2012

| Trade Name | Staple | Micronaire | Strength/ GPT | Rs. Per Candy (21/11/2012) | Rs. Per Candy (20/11/2012) | Change |
|---------------------------------------|------------|------------|------------------|----------------------------------|----------------------------------|-------------|
| Bengal Deshi (RG)/ Assam Comilla(101) | Below 22mm | 5.0 - 7.0 | 15 | 40000 | 40000 | Unch |
| Bengal Deshi (SG)(201) | Below 22mm | 5.0 - 7.0 | 15 | 40500 | 40500 | Unch |
| J-34(202) | 26mm | 3.5 - 4.9 | 23 | 32000 | 32000 | Unch |
| H-4/ MECH-1(105) | 28mm | 3.5 - 4.9 | 27 | 32900 | 32900 | Unch |
| Shankar-6(105) | 29mm | 3.5 - 4.9 | 28 | 33700 | 33700 | Unch |
| Bunny/ Brahma(105) | 31mm | 3.5 - 4.9 | 30 | 34500 | 34500 | Unch |
| MCU-5/ Surabhi(106) | 32mm | 3.3 - 4.9 | 31 | 35100 | 35100 | Unch |
| DCH-32(107) | 34mm | 3.0 - 3.8 | 33 | 45200 | 45200 | Unch |

Cotlook Index: As on 21/11/2012

| Cotlook Indices | Cents/Pound | Change |
|-----------------|-------------|--------------|
| A-Index | 81.75 | +0.40 |

China Cotton Index: As on 22/11/2012

| Index | RMB/Ton | Change |
|--------------|---------|------------|
| CCIndex(328) | 18831 | +10 |
| CCIndex(527) | 16548 | +5 |
| CCIndex(229) | 19725 | +9 |

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

USDA Cotton Spot Rates: As on 21/11/2012

| Growth Area | Leaf 4 to Staple 34 | Leaf 3 to Staple 35 | Arrivals |
|-------------|---------------------|---------------------|--------------|
| | cents/lb. | | bales |
| Southeast | 70.66 | 73.91 | NIL |
| North Delta | 69.66 | 71.16 | NIL |
| South Delta | 70 | 71.16 | NIL |
| East TX-OK | 66.25 | 70.75 | 3176 |
| West Texas | 66.25 | 71.75 | 29396 |
| Desert SW | 67.16 | 73.66 | NIL |
| SJ Valley | 67.91 | 78.56 | 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 21/11/2012

| Contract | Open | High | Low | Close | Change |
|----------|-------|-------|-------|-------|--------------|
| Dec-12 | 72.5 | 72.85 | 72.1 | 72.38 | -0.12 |
| Mar-13 | 72.49 | 72.98 | 72.12 | 72.66 | 0.17 |
| May-13 | 72.8 | 73.78 | 72.8 | 73.37 | 0.03 |
| Jul-13 | 74.16 | 74.65 | 74.04 | 74.31 | unch |
| Oct-13 | 75.64 | 75.99 | 75.64 | 75.99 | unch |
| Dec-13 | 76.4 | 76.95 | 76.14 | 76.59 | 0.15 |

Pakistan Cotton Spot rates: As on 21/11/2012 (in Pakistan Rupees)

| Product | Rate for | Ex-Gin Price | Up Country Sales | Spot Rate Karachi |
|-------------------|-----------|--------------|------------------|-------------------|
| Cotton | 37.32 Kgs | 5900 | 155 | 6055 |
| Equivalent | 40 Kgs | 6323 | 155 | 6478 |

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