

**Cotton Domestic Fundamentals:**

- Cotton markets continued steady to strong tone on Monday.
- Low demand around current levels weighed on the market.
- Cotton exports stood at 129 lakh bales.
- Indian prices are likely to stay stable at current levels for 2012-13.
- Domestic cotton prices are higher than international prices by 4-5%, which is making imports much attractive options for millers, imports are likely to touch 1.5 million bales for current year.
- Andhra Pradesh is likely to produce 7.2 million bales, compared to 5.6 million bales in last year.
- Arrivals are increasing in various mandis, adding to the weak tone of the market.
- Millers are buying in lower quantity amid expectation of better levels in the medium –term.
- Cotton arrivals till date are around 30 percent less compared to previous year during the same time period.
- Buying from the exporters remains lower around current levels.
- According to sources, domestic consumption is expected to be around 240 lakh bales during the season.
- In the international market, trading is lack –luster amid long weekend.

**Cotton International Fundamentals**

- Azerbaijan raised exports for raw cotton.
- Three home textile companies in China joined the COTTON USA licensing program to source U.S. cotton yarn.
- 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.

**Outlook:** We expect domestic cotton prices to notice steady to weak tone on sluggish demand in the ready market.

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

Contract	+/-	Open	High	Low	Close
Feb-13	3	930.00	944.00	927.00	935.50
Apr-13	-1.5	959	964	950	957.50

**Volumes and OI in Lots**

Contract	Volume	Change	OI	Change
Feb-13	8	6	41	1
Apr-13	6150	3075	13539	237

**Spread Feb-13 Apr-13**

Basis	-60	
Feb-13		27.5
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	-1.7	954	958.2	950	953.6
Apr-13	-0.9	967.6	970.8	958.6	965.1

**Volumes and OI lots**

Contract	Volume	Change	OI	Change
Feb-13	341	141	831	23
Apr-13	516	284	627	15

**Spread Feb-13 Apr-13**

Basis	-83.6	
Feb-13		11.5
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	0.43	16080	16320	16080	16190
31-Dec-12	0.31	16140	16340	16060	16170
31-Jan-13	0.31	16160	16400	16130	16250
28-Feb-13	0.25	16250	16480	16230	16360
29-Mar-13	0.36	16420	16600	16420	16510

**Cotton Prices at Key Spot Markets**

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	26-11-2012	24-11-2012	
Amravati-Vunni Mech-1#	Closed	-	-
Kadi-Bt Cotton#	4250	4250	Unch
Ahmedabad-Shankar-6#	4350	4350	Unch
Gondal	4355	4385	-30
Rajkot-(B.T)	4375	4355	+20
Abohar-J-34*	3700	3465	+235
Muktsar-J-34 *(Cotton ) #(Kapas BT Cotton)	3480	3470	+10
	4150	4150	Unch
Fajlika #(Cotton New) #(Kapas BT Cotton)	3420	3480	-60
	4225	4250	-25
Khandwa-(M.P)	4175	-	-
Khargaon-(M.P)	4175	-	-
Sri-Ganganagar	3390	3390	Unch
Patan	-	-	-

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

**Cotton Arrivals in Key Centers**

Centre (1 bale = 170 Kg)	Arrivals		Change
	26-11-2012	24-11-2012	
Amravati -Vunni Mech-1#	Closed	-	-
Kadi -Bt Cotton	35000	45000	-10000
Ahmedabad - Shankar-6#	30000	25000	+5000
Gondal	1120	609	+511
Rajkot-(B.T)	2600	2400	+200
Abohar-J-34*	1100	800	+300
Muktsar-J-34 *(Cotton ) #(Kapas BT Cotton)	-	-	-
	450	400	+50
Fajlika #(Cotton New) #(Kapas BT Cotton)	-	-	-
	2700	2000	+700
Khandwa (M.P)	3000	-	-
Khargaon-(M.P)	9000	-	-
Sri-Ganganagar	6000	6000	Unch

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

**Cotton Association of India Spot Rates: 24/11/2012**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (24/11/2012)	Rs. Per Candy (23/11/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	39300	39300	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	39800	39800	Unch
J-34(202)	26mm	3.5 - 4.9	23	31500	31700	-200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32500	32700	-200
Shankar-6(105)	29mm	3.5 - 4.9	28	33200	33700	-500
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34000	34200	-200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	34500	34500	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	44800	45000	-200

**Cotlook Index: As on 23/11/2012**

Cotlook Indices	Cents/Pound	Change
A-Index	81.90	Unch

**China Cotton Index: As on 26/11/2012**

Index	RMB/Ton	Change
CCIndex(328)	18862	+14
CCIndex(527)	16578	+16
CCIndex(229)	19754	+11

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

**USDA Cotton Spot Rates: As on 23/11/2012**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	69.43	72.68	56
North Delta	68.43	69.93	NIL
South Delta	68	69.93	NIL
East TX-OK	65.5	70	620
West Texas	65.5	71	7360
Desert SW	65.93	72.43	NIL
SJ Valley	66.68	77.33	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 24/11/2012**



Contract	Open	High	Low	Close	Change
Dec-12	-	-	-	-	-
Mar-13	-	-	-	-	-
May-13	-	-	-	-	-
Jul-13	-	-	-	-	-
Oct-13	-	-	-	-	-
Dec-13	-	-	-	-	-

### Pakistan Cotton Spot rates: As on 23/11/2012 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5800	155	5955
Equivalent	40 Kgs	6216	155	6371

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