

**Cotton Domestic Fundamentals:**

- Cotton markets continued steady to strong tone on Saturday amid good demand.
- Exports are pegged at 7.5 million bales for current cotton season.
- Cotton arrivals are strong in major markets across country, in Khadgaon, Madhya Pradesh; good demand is reported from millers and exporters. Prices are trading below MSP.
- Cotton in mandis is of good quality with moisture contents of 8-9%.
- Prices of kapas are likely to remain Rs 850 to 950 per 20 kg for Nov-2012 & Jan-2013.
- Increasing arrivals and Cotton exports stood at 4.5 lakh bales as of November 5, 2012 and Exports for 2011-12 cotton seasons at 129 million bales.
- CAG has pegged domestic consumption at 260 lakh bales for 2012-13 seasons.
- Low demand around current levels weighed on the market.
- 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.

**Cotton International Fundamentals**

- Pakistani cotton price are at Rs. 5820(Pakistani Rupee), millers are reluctant to buy low grade cotton at high price. However, short time markets actors for immediate priority.
- Bangladesh has requested India to ensure export of 1.5 million bales of cotton.
- International price movement of Rs.33-Rs.35 over past two months, liquidity has reduced from the market. With the Northern Hemisphere harvest almost finished, it is typical for open interest to fall at this time of year.

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

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

Contract	+/-	Open	High	Low	Close
Feb-13	2	949.50	949.50	949.50	949.50
Apr-13	5	974.5	982	972.5	978.00

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

Contract	+/-	Open	High	Low	Close
Feb-13	4.8	964	971.2	962.2	968.6
Apr-13	4.4	975	985.5	975	981.4

**Volumes and OI in Lots**

Contract	Volume	Change	OI	Change
Feb-13	1	-2	38	0
Apr-13	4825	-549	13796	205

**Volumes and OI lots**

Contract	Volume	Change	OI	Change
Feb-13	203	-16	643	-19
Apr-13	261	14	573	22

**Spread Feb-13 Apr-13**

Spread	Feb-13	Apr-13
Basis	-110	
Feb-13		48
April-13		

**Spread Feb-13 Apr-13**

Spread	Feb-13	Apr-13
Basis	-148.6	
Feb-13		12.8
April-13		

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

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

Contract	% Change	Open	High	Low	Close
31-Dec-12	0.55	16360	16450	16360	16430
31-Jan-13	0.49	16460	16570	16460	16540
28-Feb-13	0.54	16620	16690	16620	16640
29-Mar-13	0.54	16810	16830	16790	16810

**Cotton Prices at Key Spot Markets**

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	01-12-2012	30-11-2012	
Amravati–Vunni Mech-1#	4100	4100	Unch
Kadi–Bt Cotton#	4350	4300	+50
Ahmedabad–Shankar-6#	4400	4350	+50
Gondal	4370	4375	-5
Rajkot-(B.T)	4085	4360	-275
Abohar–J-34*	3525	3405	+120
Muktsar–J-34 *(Cotton ) #(Kapas BT Cotton)	3525	3500	+25
	4175	4150	+25
Fajlika #(Cotton New) #(Kapas BT Cotton)	3450	3470	-20
	4275	4280	-5
Khandwa-(M.P)	Closed	4150	-
Khargaon-(M.P)	Closed	4150	-
Sri-Ganganagar	3460	3450	+10

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

**Cotton Arrivals in Key Centers**

Centre (1 bale = 170 Kg)	Arrivals		Change
	01-12-2012	30-11-2012	
Amravati –Vunni Mech-1#	1500	1000	+500
Kadi –Bt Cotton	40000	35000	+5000
Ahmedabad – Shankar-6#	35000	28500	+6500
Gondal	895	916	-21
Rajkot-(B.T)	1600	2400	-800
Abohar–J-34*	700	900	-200
Muktsar–J-34 *(Cotton ) #(Kapas BT Cotton)	-	-	-
	450	400	+50
Fajlika #(Cotton New) #(Kapas BT Cotton)	-	-	-
	2200	2500	-300
Khandwa (M.P)	Closed	3000	-
Khargaon-(M.P)	Closed	10000	-
Sri-Ganganagar	5000	6000	-1000

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

**Cotton Association of India Spot Rates: 30/11/2012**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (30/11/2012)	Rs. Per Candy (29/11/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	38000	38000	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	38500	38500	Unch
J-34(202)	26mm	3.5 - 4.9	23	32100	31800	+300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33000	32800	+200
Shankar-6(105)	29mm	3.5 - 4.9	28	33700	33500	+200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34500	34400	+100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35000	34800	+200
DCH-32(107)	34mm	3.0 - 3.8	33	45200	44800	+400

**Cotlook Index: As on 30/11/2012**

Cotlook Indices	Cents/Pound	Change
A-Index	82.20	+0.55

**China Cotton Index: As on 30/11/2012**

Index	RMB/Ton	Change
CCIndex(328)	18918	+16
CCIndex(527)	16641	+22
CCIndex(229)	19794	+13

**USDA Cotton Spot Rates: As on 29/11/2012**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	71.91	75.41	4153
North Delta	70.91	72.41	NIL
South Delta	70.91	72.41	NIL
East TX-OK	68	72.5	8873
West Texas	68	73.5	54412
Desert SW	68.41	74.91	NIL
SJ Valley	69.41	80.06	295

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 30/11/2012**

Contract	Open	High	Low	Close	Change
Dec-12	72.08	72.65	72.08	72.65	0.9
Mar-12	73.24	73.95	73.24	73.91	0.56
May-12	73.99	74.55	73.99	74.51	0.49
Jul-12	74.5	75.09	74.5	74.92	0.25
Oct-12	76.49	76.49	76.49	76.49	0.2
Dec-12	77.01	77.34	76.84	77.07	0.15

**Pakistan Cotton Spot rates: As on 30/11/2012 (in Pakistan Rupees)**

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

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