

Cotton Domestic Fundamentals:

- Cotton markets continued steady to strong tone on Saturday amid good demand.
- Cotton prices are expected to fall further amid higher supplies.
- 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.

Cotton International Fundamentals

- ICE futures increased by ending 3.5 percent higher in November amid speculations.
- Pakistan spot markets saw very low volume of trade in markets as ginnerers are not willing to sell at lower price and traders are not giving up at those price levels.
- 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.

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

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

Contract	+/-	Open	High	Low	Close
Feb-13	4	949.00	953.50	946.50	953.50
Apr-13	-10	979	980	966	967.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	4	3	37	-1
Apr-13	4547	-278	13618	-178

Spread Feb-13 Apr-13

Basis	-110	
Feb-13		37
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	-6.1	969	970	961	962.5
Apr-13	-9.4	985	985	972	972.00

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	141	-62	667	24
Apr-13	315	54	606	33

Spread Feb-13 Apr-13

Basis	-142.5	
Feb-13		9.5
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
31-Dec-12	-0.61	16430	16440	16280	16320
31-Jan-13	-0.73	16540	16540	16400	16420
28-Feb-13	-0.66	16690	16690	16550	16550
29-Mar-13	-0.6	16740	16740	16700	16700

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	03-12-2012	01-12-2012	
Amravati-Vunni Mech-1#	4075	4100	-25
Kadi-Bt Cotton#	4350	4350	Unch
Ahmedabad-Shankar-6#	4300	4250	+50
Gondal	4385	4370	+15
Rajkot-(B.T)	4375	4355	+20
Abohar-J-34*	3520	3525	-5
Muktsar-J-34 *(Cotton) #(Kapas BT Cotton)	3515	3525	-10
	4200	4175	+25
Fajlika #(Cotton New) #(Kapas BT Cotton)	-	3450	-
	-	4275	-
Khandwa-(M.P)	4150	Closed	-
Khargaon-(M.P)	4150	Closed	-
Sri-Ganganagar	3440	3460	-20

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	03-12-2012	01-12-2012	
Amravati -Vunni Mech-1#	2000	1500	+500
Kadi -Bt Cotton	35000	40000	-5000
Ahmedabad - Shankar-6#	35000	35000	Unch
Gondal	1266	895	+371
Rajkot-(B.T)	1625	1600	+25
Abohar-J-34*	1000	700	+300
Muktsar-J-34 *(Cotton) #(Kapas BT Cotton)	-	-	-
	450	450	Unch
Fajlika #(Cotton New) #(Kapas BT Cotton)	-	-	-
	-	2200	-
Khandwa (M.P)	4000	Closed	-
Khargaon-(M.P)	12000	Closed	-
Sri-Ganganagar	6000	5000	+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
Cotton	37.32 Kgs	5850	155	6005
Equivalent	40 Kgs	6269	155	6424

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