

Cotton Domestic Fundamentals:

- Cotton markets notice week tone on Wednesday except Kadi.
- 7.14 lakh bales of cotton worth Rs 1,534.45 crore has been procured by Cotton Corporation of India (CCI) till 9 Dec 2012, Textiles and Commerce Minister Anand Sharma told the Lok Sabha on Monday. He also added that Cotton prices are above the minimum support price (MSP) levels in Gujarat, Rajasthan, Punjab, Haryana, Madhya Pradesh and majority areas in Maharashtra which is supporting prices. In Andhra Pradesh, the prices touched MSP levels which have raised prices in state.
- Prices declined in North India on Wednesday on rising arrivals and normal demand.
- Latest arrivals recorded in spot market are 6.2 million bales compared to 6.9 million bales arrive in same time last year.
- While prices are dropping in Rajkot due to low export demand and low buying by mills, rising intervals may put further pressure on prices. Also, about 34,000 bales arrived in Gujarat, while 1.48 lakh bales arrived in the rest of the country.

Cotton International Fundamentals

- Estimates of US cotton plantings were raised 97.7 million hectares to 99.03 million hectares in research report of private analytical firm, which could put pressure on prices on ICE.
- 10.7 million bales of cotton has been procured by 15 Dec 2012 across Pakistan. That is 2.42 percent higher than same time last year.

Outlook: We expect domestic cotton prices to notice steady to firm tone amid good demand from the exporters.

NCDEX Kapas Futures: (Prices in Rs/20kg)						MCX Kapas Futures: (Prices in Rs/20kg)					
Contract	+/-	Open	High	Low	Close	Contract	+/-	Open	High	Low	Close
Feb-13	-2	1,000.00	1,000.00	999.00	999.00	Feb-13	-4.9	1015.9	1021.9	1011.7	1013.6
Apr-13	-4	1027	1035.5	1022	1025.50	Apr-13	-3.7	1024.9	1034	1021.5	1025

Volumes and OI in Lots					Volumes and OI lots				
Contract	Volume	Change	OI	Change	Contract	Volume	Change	OI	Change
Feb-13	2	0	36	-1	Feb-13	250	-77	527	-10
Apr-13	9035	1080	15364	291	Apr-13	857	-115	877	-28

Spread	Feb-13	Apr-13	Spread	Feb-13	Apr-13
Basis	-50		Basis	-133.6	
Feb-13		145.5	Feb-13		11.4
April-13			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	-0.12	16470	16560	16460	16490
31-Jan-13	0.06	16690	16820	16690	16770
28-Feb-13	-0.24	16930	17030	16930	16940
29-Mar-13	-0.06	17210	17230	17160	17160
30-Apr-13	-0.06	17340	17400	17250	17340

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	20-12-2012	19-12-2012	
Amravati-Vunni Mech-1#	4050	4100	-50
Kadi-Bt Cotton#	4350	4275	75
Ahmedabad-Shankar-6#	4400	4400	Unch
Gondal	4380	4440	-60
Rajkot-(B.T)	4425	4425	Unch
Abohar-J-34*	3545	3570	-25
Muktsar-J-34 *(Cotton) #(Kapas BT Cotton)	3540	3570	-30
	4150	4200	-50
Fajlika #(Cotton New) #(Kapas BT Cotton)	3540	3550	-10
	4260	4300	-40
Khandwa-(M.P)	-	-	-
Khargaon-(M.P)	-	-	-
Sri-Ganganagar	3450	3470	-20

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	20-12-2012	19-12-2012	
Amravati -Vunni Mech-1#	2000	1000	1000
Kadi -Bt Cotton	10000	25000	-15000
Ahmedabad - Shankar-6#	32000	35000	-3000
Gondal	1503	1804	-301
Rajkot-(B.T)	1700	2500	-800
Abohar-J-34*	1200	1300	-100
Muktsar-J-34 *(Cotton) #(Kapas BT Cotton)	-	-	-
	400	550	-150
Fajlika #(Cotton New) #(Kapas BT Cotton)	-	-	-
	2000	2000	Unch
Khandwa (M.P)	-	-	-
Khargaon-(M.P)	-	-	-
Sri-Ganganagar	8000	7000	1000

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

Cotton Association of India Spot Rates: 19/12/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (19/12/2012)	Rs. Per Candy (18/12/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	36100	36200	-100
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	36600	36700	-100
J-34(202)	26mm	3.5 - 4.9	23	32500	32600	-100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33100	33100	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	34000	34000	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34000	34000	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	34600	34600	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	45700	45700	Unch

Cotlook Index: As on 19/12/2012

Cotlook Indices	Cents/Pound	Change
A-Index	84.15	Unch

China Cotton Index: As on 20/12/2012

Index	RMB/Ton	Change
CCIndex(328)	19118	+19
CCIndex(527)	16791	+14
CCIndex(229)	19933	+17

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

USDA Cotton Spot Rates: As on 19/12/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	73.39	77.14	5130
North Delta	72.64	74.64	NIL
South Delta	72.64	74.64	NIL
East TX-OK	69.75	74.25	1967
West Texas	69.75	74.5	18323
Desert SW	70.39	76.89	NIL
SJ Valley	71.39	82.04	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 19/12/2012

Contract	Open	High	Low	Close	Change
Dec-12	75.95	76.05	75.41	75.89	-0.06
Mar-12	76.62	76.8	76.26	76.62	-0.11
May-12	77	77.29	76.8	77.13	-0.16
Jul-12	77.85	77.85	77.85	77.85	-0.23
Oct-12	78.3	78.4	78.08	78.25	-0.25
Dec-12	78.8	78.8	78.8	78.8	-0.25

Pakistan Cotton Spot rates: As on 19/12/2012 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6000	155	6155
Equivalent	40 Kgs	6430	155	6585

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