

Cotton Domestic Fundamentals:

- Cotton markets noticed steady to firm tone on Saturday except slight weakness in Amravati market.
- Buying by government agencies, millers and exporters supported prices.
- Arrivals in the country are lower in various mandis.
- Andhra Pradesh is expected to harvest around 700,000 bales of cotton during the current cotton season, as against last year's output of 650,000 bales.
- Indian textiles exports fell by 6 per cent year-on-year to \$ 14.1 billion in April-September period due to slowdown in major markets like the US and EU. In the first six months of the 2012-13 fiscal, textiles exports stood at \$ 14.18 billion. The government is hopeful of achieving the textile export target of \$ 40.5 billion for 2012-13 which was \$ 30.4 billion in 2011-12. Exports on yarn may be lifted next week.
- In Gujarat around 35000 bales and in north India around 33000 bales arrived according to trade sources.
- Farmers are bringing less produce to the market amid expectation of better remuneration in the medium –term.
- Good export and yarn demand added to the positive tone of the market.

Cotton International Fundamentals

- Cotton futures at NYMEX closed slightly higher amid buying around current levels by millers.
- Pakistan is the only country in the world that has seen stagnating cotton output over the last 20 years.
- Prices in Pakistan remained sluggish following holiday season.
- 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.

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

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

Contract	+/-	Open	High	Low	Close
Feb-13	-27	998.00	998.00	983.00	983.00
Apr-13	-24.5	1038	1042	1011	1015.5

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

Contract	+/-	Open	High	Low	Close
Feb-13	-17.5	1022	1027	1002.5	1005
Apr-13	-21.8	1036.2	1036.2	1012	1015

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	2	-2	36	0
Apr-13	12616	1935	14550	-1489

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	353	159	560	34
Apr-13	1091	509	897	42

Spread
Feb-13
Apr-13

Basis

-50

Feb-13

135.5

April-13

Spread
Feb-13
Apr-13

Basis

-125

Feb-13

10

April-13

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

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Contract	% Change	Open	High	Low	Close
31-Dec-12	-1.62	16640	16640	16350	16400
31-Jan-13	-1.83	16920	16930	16620	16650
28-Feb-13	-1.69	17090	17120	16860	16870
29-Mar-13	-1.09	17340	17360	17150	17190
30-Apr-13	-1.02	17550	17610	17410	17440

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	24-12-2012	22-12-2012	
Amravati-Vunni Mech-1#	4050	4075	-25
Kadi-Bt Cotton#	4450	4350	100
Ahmedabad-Shankar-6#	4400	4475	-75
Gondal	4425	4405	20
Rajkot-(B.T)	4400	4435	-35
Abohar-J-34*	3570	3590	-20
Muktsar-J-34 *(Cotton) #(Kapas BT Cotton)	3570	3585	-15
	4210	4200	10
Fajlika *(Cotton New) #(Kapas BT Cotton)	3545	3555	-10
	4270	4270	Unch
Khandwa-(M.P)	4160	-	-
Khargaon-(M.P)	4160	-	-
Sri-Ganganagar	3470	3500	-30

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	24-12-2012	22-12-2012	
Amravati -Vunni Mech-1#	1500	1000	500
Kadi -Bt Cotton	50000	55000	-5000
Ahmedabad - Shankar-6#	40000	34000	6000
Gondal	1500	1485	15
Rajkot-(B.T)	5000	2300	2700
Abohar-J-34*	1000	1000	Unch
Muktsar-J-34 *(Cotton) #(Kapas BT Cotton)	-	-	-
	400	400	Unch
Fajlika *(Cotton New) #(Kapas BT Cotton)	-	-	-
	2000	2000	Unch
Khandwa (M.P)	3500	-	-
Khargaon-(M.P)	10000	-	-
Sri-Ganganagar	8000	8000	Unch

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

Cotton Association of India Spot Rates: 22/12/2012

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (22/12/2012)	Rs. Per Candy (21/12/2012)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	35100	35400	-300
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	35600	35900	-300
J-34(202)	26mm	3.5 - 4.9	23	32600	32400	+200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32800	32600	+200
Shankar-6(105)	29mm	3.5 - 4.9	28	33700	33500	+200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	33700	33300	+400
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	34400	34200	+200
DCH-32(107)	34mm	3.0 - 3.8	33	45200	45200	Unch

Cotlook Index: As on 21/12/2012

Cotlook Indices	Cents/Pound	Change
A-Index	84.10	-0.05

China Cotton Index: As on 24/12/2012

Index	RMB/Ton	Change
CCIndex(328)	19141	+12
CCIndex(527)	16810	+10
CCIndex(229)	19945	+7

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

USDA Cotton Spot Rates: As on 21/12/2012

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	73.68	77.43	760
North Delta	72.93	74.93	NIL
South Delta	72.93	74.93	NIL
East TX-OK	70	74.5	49
West Texas	70	74.5	5601
Desert SW	70.68	77.18	NIL
SJ Valley	71.68	82.33	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 21/12/2012

Contract	Open	High	Low	Close	Change
Mar-12	75.6	76.28	75.29	76.18	0.35
May-12	76.25	76.92	75.95	76.76	0.28
Jul-12	76.67	77.4	76.67	77.31	0.27
Oct-12	78.14	78.14	78.14	78.14	0.25
Dec-12	78.25	78.52	77.96	78.52	0.29
Mar-12	79.02	79.02	79.02	79.02	0.24

Pakistan Cotton Spot rates: As on 21/12/2012 (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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