

Cotton Domestic Fundamentals:

- Cotton prices noticed steady to weak tone on Monday except Gondal.
- CCI is likely to procure 60 lakh bales of raw cotton in 2012-13 to support farmers as prices are ruling below MSP levels in some parts of India.
- CCI has already procured 13 lakh bales of raw cotton in current marketing season.
- Lower demand from the millers weighed on prices.
- Around 25000 bales of the new crop arrived in northern India.
- Cotton arrivals decline by 11.74% from 8.80 million bales to 9.97 million bales from corresponding year.

Cotton International Fundamentals

- China is considering issuing import quotas to help textile companies.
- China, the world's biggest cotton consumer and importer, is studying a proposal to issue extra import quotas for textile mills
- Over 10 million bales of cotton have reached market in Pakistan.

Outlook: We expect domestic cotton prices to continue steady to weak tone on lower demand from the millers.

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

Contract	+/-	Open	High	Low	Close
Feb-13	-4	908.00	910.50	905.00	905.50
Apr-13	0	940	944.5	932.5	941.50

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

Contract	+/-	Open	High	Low	Close
Feb-13	-2.8	929.9	932.7	921.3	930.6
Apr-13	-2.1	945	950	939	947.10

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	4	-81	30	0
Apr-13	9834	-137	13051	-137

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	401	80	749	8
Apr-13	946	4	1137	-11

Spread Feb-13 Apr-13

Basis	70	
Feb-13		81.5
April-13		

Spread Feb-13 Apr-13

Basis	-70.6	
Feb-13		16.5
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-Jan-13	0.43	16350	16420	16300	16420
28-Feb-13	0.48	16500	16640	16500	16630
29-Mar-13	0.71	16830	16920	16760	16910
30-Apr-13	0.53	17100	17140	17040	17140

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	07-01-2013	05-01-2013	
Amravati–Vunni Mech-1#	4000	4000	Unch
Kadi–Bt Cotton#	4250	4250	Unch
Ahmedabad–Shankar-6#	4300	4325	-25
Gondal	4475	4305	170
Rajkot-(B.T)	4350	4360	-10
Abohar–J-34*	3555	3555	Unch
Muktsar–J-34 *(Cotton)	3555	3555	Unch
#(Kapas BT Cotton)	4150	4155	-5
Fajlika #(Cotton New)	3530	3540	-10
#(Kapas BT Cotton)	4210	4260	-50
Khandwa-(M.P)	4040	Closed	-
Khargaon-(M.P)	4040	Closed	-
Sri-Ganganagar	3470	3470	Unch

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	07-01-2013	05-01-2013	
Amravati –Vunni Mech-1#	2600	2000	600
Kadi –Bt Cotton	55000	60000	-5000
Ahmedabad – Shankar-6#	41000	41000	Unch
Gondal	2818	2392	426
Rajkot-(B.T)	4750	4650	100
Abohar–J-34*	1000	1000	Unch
Muktsar–J-34 *(Cotton)	-	-	-
#(Kapas BT Cotton)	600	500	100
Fajlika #(Cotton New)	-	-	-
#(Kapas BT Cotton)	2000	2300	-300
Khandwa (M.P)	3500	Closed	-
Khargaon-(M.P)	9000	Closed	-
Sri-Ganganagar	5000	5000	Unch

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

Cotton Association of India Spot Rates: 05/01/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (05/01/2013)	Rs. Per Candy (04/01/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	34400	34600	-200
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	34900	35100	-200
J-34(202)	26mm	3.5 - 4.9	23	32400	32600	-200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32900	33000	-100
Shankar-6(105)	29mm	3.5 - 4.9	28	33600	33700	-100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	33700	33900	-200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	34400	34500	-100
DCH-32(107)	34mm	3.0 - 3.8	33	45000	45200	-200

Cotlook Index: As on 04/01/2013

Cotlook Indices	Cents/Pound	Change
A-Index	83.45	Unch

China Cotton Index: As on 07/01/2013

Index	RMB/Ton	Change
CCIndex(328)	19230	+11
CCIndex(527)	16866	+4
CCIndex(229)	20005	Unch

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

USDA Cotton Spot Rates: As on 04/01/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	72.55	75.8	651
North Delta	71.8	73.8	NIL
South Delta	71.8	73.8	NIL
East TX-OK	69.5	74	1811
West Texas	69.5	73.75	12472
Desert SW	69.8	76.3	NIL
SJ Valley	70.55	81.2	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 04/01/2013

Contract	Open	High	Low	Close	Change
Mar-12	75.65	75.82	73.72	75.05	-0.34
May-12	76.35	76.57	74.58	75.89	-0.33
Jul-12	77.44	77.55	75.58	76.85	-0.39
Oct-12	78.17	78.17	78.17	78.17	-0.54
Dec-12	79.5	79.63	77.8	79.1	-0.37
Mar-12	80.1	80.1	80.1	80.1	-0.37

Pakistan Cotton Spot rates: As on 05/01/2013 (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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