

**Cotton Domestic Fundamentals:**

- Cotton prices noticed steady to firm tone on Monday,
- Most of the markets remained closed following local festival.
- Good demand from the mills and firm tone at ICE futures lend support to the market.
- Around 33000 bales of cotton arrived in north India.
- Good export demand of cotton yarn added to the positive tone of the market.
- Total procurement of cotton in Andhra Pradesh is around 30% of total production expected. CCI, Nafed and private traders have procured 2.41 million bales so far, according to commissioner and director of agricultural marketing, G Venkatram Reddy.
- Registration for exporting cotton yarn stood at 100 million kg, 32 per cent higher in November 2012 than in the year-ago period and five per cent more than in the previous month according to Director General of Foreign Trade.

**Cotton International Fundamentals**

- China has finalized the selling of cotton reserves from Monday to meet demand from domestic textile companies.
- The price at which the selling is to be done is slightly lower than domestic prices but 25-30% higher than international prices.
- Approx. 3 million tons of cotton reserve is expected to be sold, by China. The prices might show improvement as imports are also likely to go up as domestic prices in China are higher than domestic cotton so traders can leverage their position.
- Cotton futures at NYMEX closed higher amid improved demand for U.S. cotton.
- According to USDA, projected U.S. production of cotton was lowered to 17 million bales, a 1.4% decrease that was more than the 0.1% average decline analysts had expected.

**Outlook:** We expect domestic cotton prices to continue steady to firm tone on good export demand of cotton yarn.

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

Contract	+/-	Open	High	Low	Close
Feb-13	-13	880.00	880.00	880.00	880.00
Apr-13	-14.5	925	925.5	914	915.50

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

Contract	+/-	Open	High	Low	Close
Feb-13	-13.5	908.5	911	900.1	901
Apr-13	-13.7	931	931.5	921	922.00

**Volumes and OI in Lots**

Contract	Volume	Change	OI	Change
Feb-13	1	1	40	40
Apr-13	7892	-58	12680	-58

**Volumes and OI lots**

Contract	Volume	Change	OI	Change
Feb-13	358	123	1071	56
Apr-13	819	224	1345	37

Spread	Feb-13	Apr-13
Basis	65	
Feb-13		50.5
April-13		

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

Spread	Feb-13	Apr-13
Basis	-36	
Feb-13		21
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-Jan-13	-0.55	16290	16330	16250	16250
28-Feb-13	-0.48	16570	16620	16500	16510
29-Mar-13	-0.53	16960	16960	16800	16820
30-Apr-13	-0.7	17430	17430	17110	17110
31-May-13	-0.57	17370	17410	17370	17380

	14-01-2013	12-01-2013	
Amravati-Vunni Mech-1#	4075	4050	25
Kadi-Bt Cotton#	Closed	4250	-
Ahmedabad-Shankar-6#	Closed	4325	-
Gondal	Closed	4305	-
Rajkot-(B.T)	Closed	4350	-
Abohar-J-34*	3590	3600	-10
Muktsar-J-34 *(Cotton )	Closed	Closed	-
*(Kapas BT Cotton)	Closed	Closed	-
Fajlika *(Cotton New)	Closed	Closed	-
*(Kapas BT Cotton)	Closed	Closed	-
Khandwa-(M.P)	Closed	Closed	-
Khargaon-(M.P)	Closed	Closed	-
Sri-Ganganagar	3500	3515	-15

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

**Cotton Arrivals in Key Centers**

Centre (1 bale = 170 Kg)	Arrivals		Change
	14-01-2013	12-01-2013	
Amravati -Vunni Mech-1#	2000	4000	-2000
Kadi -Bt Cotton	Closed	-	-
Ahmedabad - Shankar-6#	Closed	38000	-
Gondal	Closed	2016	-
Rajkot-(B.T)	Closed	4830	-
Abohar-J-34*	700	1000	-300
Muktsar-J-34 *(Cotton )	Closed	Closed	-
*(Kapas BT Cotton)	Closed	Closed	-
Fajlika *(Cotton New)	Closed	Closed	-
*(Kapas BT Cotton)	Closed	Closed	-
Khandwa (M.P)	Closed	Closed	-
Khargaon-(M.P)	Closed	Closed	-
Sri-Ganganagar	6000	6000	Unch

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

**Cotton Association of India Spot Rates: 12/01/2013**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (12/01/2013)	Rs. Per Candy (11/01/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	35100	35100	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	35600	35600	Unch
J-34(202)	26mm	3.5 - 4.9	23	32800	32600	+200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32800	32800	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	33600	33600	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34000	34000	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35000	35000	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	45000	45000	Unch

**Cotlook Index: As on 11/01/2013**

Cotlook Indices	Cents/Pound	Change
A-Index	83.35	+0.25

**China Cotton Index: As on 14/01/2013**

Index	RMB/Ton	Change
CCIndex(328)	19263	+5
CCIndex(527)	16891	Unch
CCIndex(229)	20011	-1

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

**USDA Cotton Spot Rates: As on 11/01/2013**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	72.87	76.12	9683
North Delta	72.37	74.87	NIL
South Delta	72.37	74.87	NIL
East TX-OK	69	72.75	1601
West Texas	69	72.75	7315
Desert SW	70.37	76.87	NIL
SJ Valley	71.12	81.77	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 11/01/2013**

Contract	Open	High	Low	Close	Change
13-Mar	75.03	76.44	74.4	75.62	0.42
13-May	75.78	77.14	75.2	76.4	0.36
13-Jul	76.82	78	76.21	77.41	0.29
13-Oct	78.12	78.12	78.12	78.12	-0.07
13-Dec	78.84	79.25	77.93	79.04	-0.05
14-Mar	80.09	80.28	80.09	80.28	-0.11

**Pakistan Cotton Spot rates: As on 11/01/2013 (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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