

Cotton Domestic Fundamentals:

- Cotton prices noticed week tone on Tuesday amid rising arrivals.
- According to Indian Cotton Association, Gujarat is likely to produce 85 lakh bales of cotton in 2012-13. They have estimated country production to 325 lakh bales, Maharashtra at 80 lakh bales, Andhra Pradesh with 68 lakh bales, and Punjab, Haryana and Rajasthan at 57 lakh bales, M.P with 16 lakh bales, T.N would give 5 lakh bales another 2 lakh bales from orissa in 2013-13
- Ranbobank report on cotton, suggest that cotton prices to remain range bound in first half of 2013 before shifting to higher in second half of the year as a reduction in exportable surplus in the market.
- Cotton prices increased in Gujarat, over fresh buying from millers and exporters. Prices after coming down in this week are expected to increase in coming next week, if demand from exporters continues in the market.

Cotton International Fundamentals

- Egypt has agreed to export 1978 metric tons of cotton ended on Jan 17, 2013. The country has shipped 33,115 tons of the fiber, valued at \$95.1 million, since Sept. 1 2012. India is top importer of Egyptian cotton.
- Pakistan production may jump up from 13.3 million bales of earlier projected.
- Pakistan total cotton arrivals to ginneries and millers had touches 12.02 million bales, which is 6.29 percent less than previous year. Mills are struggling from energy crisis, which has affected the export.

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	-30	854.00	860.00	850.00	850.00
Apr-13	-5	905	905	894.5	902.00

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

Contract	+/-	Open	High	Low	Close
Feb-13	-8.6	893	893	878.2	883.5
Apr-13	-5.6	905.1	909	899	906.8

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	5	2	35	-3
Apr-13	9157	-49	12751	-49

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	546	251	1138	51
Apr-13	1092	-46	1485	2

Spread	Feb-13	Apr-13
Basis	60	
Feb-13		32
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	-13.5	
Feb-13		23.3
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	-0.12	16270	16350	16240	16270
28-Feb-13	-0.18	16530	16560	16500	16530
29-Mar-13	-0.3	16800	16840	16760	16780
30-Apr-13	-0.35	17050	17070	17030	17060
31-May-13	-0.4	17300	17310	17280	17310

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	22-01-2013	21-01-2013	
Amravati-Vunni Mech-1#	4025	4035	-10
Kadi-Bt Cotton#	4250	4250	Unch
Ahmedabad-Shankar-6#	4350	4300	50
Gondal	4265	4265	Unch
Rajkot-(B.T)	4260	4285	-25
Abohar-J-34*	3555	3575	-20
Muktsar-J-34 *(Cotton)	3555	3575	-20
#(Kapas BT Cotton)	-	4200	-
Fajlika #(Cotton New)	3540	3550	-10
#(Kapas BT Cotton)	4261	4270	-9
Khandwa-(M.P)	4100	4100	Unch
Khargaon-(M.P)	4100	4100	Unch
Sri-Ganganagar	3480	3500	-20

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	22-01-2013	21-01-2013	
Amravati -Vunni Mech-1#	3000	2500	500
Kadi -Bt Cotton	60000	55000	5000
Ahmedabad - Shankar-6#	50000	45000	5000
Gondal	1608	2164	-556
Rajkot-(B.T)	4640	4860	-220
Abohar-J-34*	1400	1200	200
Muktsar-J-34 *(Cotton)	700	500	200
#(Kapas BT Cotton)	-	500	-
Fajlika #(Cotton New)	-	-	-
#(Kapas BT Cotton)	1800	2000	-200
Khandwa (M.P)	5500	4000	1500
Khargaon-(M.P)	17000	16000	1000

Sri-Ganganagar	7000	4000	3000
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Khandwa, Kadi, Fajlika-1 Truck-100 Qtls, Amravati-1 Truck-100 kgs, Ahmadabad, Abohar and Muktsar-Bales

Cotton Association of India Spot Rates: 21/01/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (21/01/2013)	Rs. Per Candy (18/01/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	34600	34600	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	35100	35100	Unch
J-34(202)	26mm	3.5 - 4.9	23	32700	32700	Unch
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	32800	33000	-200
Shankar-6(105)	29mm	3.5 - 4.9	28	33700	33900	-200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34100	34300	-200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35000	35200	-200
DCH-32(107)	34mm	3.0 - 3.8	33	45000	45000	Unch

Cotlook Index: As on 21/01/2013

Cotlook Indices	Cents/Pound	Change
A-Index	86.15	+0.65

China Cotton Index: As on 22/01/2013

Index	RMB/Ton	Change
CCIndex(328)	19289	+2
CCIndex(527)	16920	+8
CCIndex(229)	20041	+2

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

USDA Cotton Spot Rates: As on 18/01/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	75.55	78.80	1410
North Delta	75.05	77.55	198
South Delta	75.05	77.55	NIL
East TX-OK	71.75	75.25	3122
West Texas	71.75	75.25	18771
Desert SW	73.05	79.55	600
SJ Valley	73.80	84.45	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 18/01/2013

Contract	Open	High	Low	Close	Change
13-Mar	77.75	78.88	77.55	78.55	+0.77
13-May	78.10	78.95	77.83	78.67	+0.48
13-Jul	78.57	79.20	78.34	79.00	+0.14
13-Oct	78.99	78.99	78.99	78.99	-0.08
13-Dec	79.10	79.50	78.84	79.18	-0.11
14-Mar	80.03	80.21	80.03	80.21	-0.02

Pakistan Cotton Spot rates: As on 21/01/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	5950	155	6105
Equivalent	40 Kgs	6377	155	6532

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