

Cotton Domestic Fundamentals:

- Cotton prices noticed mixed tone on Monday.
- According to India Rating agency the cotton prices are going to be stable at current levels or fall by 5-10percent. Consumption to production ratio is low with current global inventories ration estimated at 71 percent.
- Cotton yarn exports are expected to touch 100 million kg in 2012-13 on heavy demand from China. This is a bumper year for the industry. Domestic production of cotton yarn from April-November 2012 stood at 2,317 million kg, 14 percent higher to same period last year.
- CAB has raised cotton export estimate to 80 lakh bales from 70 lakh bales earlier projected. Cotton imports were also rising; against the earlier estimate of 12 lakh bales , these were now expected to stand at 20 lakh bales.

Cotton International Fundamentals

- Pakistan has lost \$1 billion exports orders by textile industry due to shortage of power, which is 30-40 percent of exports. This has given Indian companies a window to rise in export orders. In December 100 million kg was exported.
- Egypt came to agree to export additional 800 metric tons of cotton by Jan.24. India is top importer of Egyptian cotton for manufacturing of luxury textile. 33,915 tons of the fiber, valued at \$97.6 million, since Sept. 1
- 30 percent of cotton yarn is exported to China, 16 percent to Bangladesh. This year Bangladesh cut its imports by 3-4 percent. Pakistan yarn production has fallen by 30-40 percent due to power shortage.

Outlook: We expect domestic cotton prices to continue steady to weak tone on rising arrivals and normal demand.

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

Contract	+/-	Open	High	Low	Close
Feb-13	0	0.00	0.00	0.00	0.00
Apr-13	-15	910	912	893	893.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	0	-2	35	0
Apr-13	7862	245	12957	245

Spread

	Feb-13	Apr-13
Basis	60	
Feb-13		23.5
April-13		

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

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

Contract	+/-	Open	High	Low	Close
Feb-13	-13.7	888.1	891	875	875
Apr-13	-13.7	911	916	899	899.00

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	315	94	1069	-19
Apr-13	857	111	1542	58

Spread

	Feb-13	Apr-13
Basis	-5	
Feb-13		24
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	-0.18	16330	16400	16310	16340
28-Feb-13	-0.18	16640	16700	16600	16640
29-Mar-13	-0.06	16990	17000	16910	16960
30-Apr-13	-0.12	17310	17320	17240	17260
31-May-13	-0.28	17570	17570	17500	17520

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	28-01-2013	25-01-2013	
Amravati-Vunni Mech-1#	4050	4025	25
Kadi-Bt Cotton#	4250	4250	Unch
Ahmedabad-Shankar-6#	4350	4350	Unch
Gondal	4280	Closed	-
Rajkot-(B.T)	4300	4325	-25
Abohar-J-34*	3625	3600	25
Muktsar-J-34 *(Cotton)	3625	3600	25
#(Kapas BT Cotton)	4200	4270	-70
Fajlika #(Cotton New)	3590	3585	5
#(Kapas BT Cotton)	4310	4280	30
Khandwa-(M.P)	4100	Closed	-
Khargaon-(M.P)	4100	Closed	-
Sri-Ganganagar	3550	3550	Unch

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	28-01-2013	25-01-2013	
Amravati -Vunni Mech-1#	2000	3000	-1000
Kadi -Bt Cotton	45000	55000	-10000
Ahmedabad - Shankar-6#	50000	25000	25000
Gondal	3681	Closed	-
Rajkot-(B.T)	5020	4780	240
Abohar-J-34*	1100	1100	Unch
Muktsar-J-34 *(Cotton)	-	-	-
#(Kapas BT Cotton)	600	500	100
Fajlika #(Cotton New)	-	-	-
#(Kapas BT Cotton)	2000	1800	200
Khandwa (M.P)	5000	Closed	-
Khargaon-(M.P)	10000	Closed	-
Sri-Ganganagar	7000	6000	1000

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

Cotton Association of India Spot Rates: 25/01/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (25/01/2013)	Rs. Per Candy (24/01/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	33700	33400	+300
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	34200	33900	+300
J-34(202)	26mm	3.5 - 4.9	23	33100	32800	+300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33200	32800	+400
Shankar-6(105)	29mm	3.5 - 4.9	28	33900	33600	+300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34400	34100	+300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35300	35000	+300
DCH-32(107)	34mm	3.0 - 3.8	33	45000	45000	Unch

Cotlook Index: As on 25/01/2013

Cotlook Indices	Cents/Pound	Change
A-Index	89.50	+1.55

China Cotton Index: As on 28/01/2013

Index	RMB/Ton	Change
CCIndex(328)	19272	-9
CCIndex(527)	16913	Unch
CCIndex(229)	20039	-3

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

USDA Cotton Spot Rates: As on 24/01/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	79.64	82.89	5728
North Delta	78.89	81.39	3005
South Delta	78.89	81.39	NIL
East TX-OK	74.5	78	2375
West Texas	74.5	77.75	16885
Desert SW	77.39	83.89	NIL
SJ Valley	78.14	88.79	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 24/01/2013

Contract	Open	High	Low	Close	Change
13-Mar	82.33	82.75	80.4	80.52	-2.37
13-May	81.53	81.87	79.75	80.48	-1.72
13-Jul	80.31	80.98	78.97	80.4	-0.64
13-Oct	79.72	79.72	79.72	79.72	0.27
13-Dec	79.15	79.85	79	79.7	-0.03
14-Mar	80.5	80.5	80.5	80.5	-0.02

Pakistan Cotton Spot rates: As on 24/01/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	Cotton	37.32 Kgs	6050
Equivalent	40 Kgs	Equivalent	40 Kgs	6484

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