

Cotton Domestic Fundamentals:

- Cotton prices noticed mixed tone on Tuesday.
- Currently, mills are primary buyers, while export demand is very limited. In this condition, price may remain at the current level.
- Prices are expected to rise on export demand in coming week.
- Traders are expecting demand from Southeast Asia that could compensate for Chinese demand.

Cotton International Fundamentals

- Bangladesh is inking a deal with India to procure 15 lakh bales every year.
- 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.

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	-7	818.00	835.00	818.00	824.00
Apr-13	-2.5	883	886.5	877	880.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	6	-12	24	-2
Apr-13	6600	-68	13293	-68

Spread Feb-13 Apr-13

Basis	-18.5	
Feb-13		33.5
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	-5.1	863.5	864.5	855.5	858
Apr-13	-3.5	890	893.9	885	888

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	358	-396	1359	10
Apr-13	695	-562	2037	-18

Spread Feb-13 Apr-13

Basis	7	
Feb-13		30
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	-0.06	16620	16740	16590	16620
28-Feb-13	-0.06	16910	17030	16890	16890
29-Mar-13	-0.12	17200	17300	17160	17160
30-Apr-13	-0.23	17540	17550	17420	17420
31-May-13	-0.06	16620	16740	16590	16620

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	05-02-2013	04-02-2013	
Amravati-Vunni Mech-1#	4050	4075	-25
Kadi-Bt Cotton#	4150	4250	-100
Ahmedabad-Shankar-6#	4350	4350	Unch
Gondal	4345	4475	-130
Rajkot-(B.T)	4325	4290	35
Abohar-J-34*	3695	3720	-25
Muktsar-J-34 *(Cotton) #(Kapas BT Cotton)	3695	3715	-20
	-	-	-
Fajlika #(Cotton New) #(Kapas BT Cotton)	3670	3630	40
	4310	4320	-10
Khandwa-(M.P)	4100	4080	20
Khargaon-(M.P)	4100	4080	20
Sri-Ganganagar	3600	3640	-40

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	05-02-2013	04-02-2013	
Amravati -Vunni Mech-1#	1500	2000	-500
Kadi -Bt Cotton	45000	55000	-10000
Ahmedabad - Shankar-6#	42000	45000	-3000
Gondal	1250	1464	-214
Rajkot-(B.T)	4030	4210	-180
Abohar-J-34*	-	200	-
Muktsar-J-34 *(Cotton) #(Kapas BT Cotton)	-	-	-
	-	-	-
Fajlika #(Cotton New) #(Kapas BT Cotton)	-	-	-
	600	2000	-1400
Khandwa (M.P)	4000	5000	-1000
Khargaon-(M.P)	10000	12000	-2000
Sri-Ganganagar	-	2000	-

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

Cotton Association of India Spot Rates: 04/02/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (04/02/2013)	Rs. Per Candy (02/02/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	34000	33700	+300
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	34400	34200	+200
J-34(202)	26mm	3.5 - 4.9	23	33900	33700	+200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33600	33400	+200
Shankar-6(105)	29mm	3.5 - 4.9	28	34000	34100	-100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34800	34800	Unch
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35600	35600	Unch
DCH-32(107)	34mm	3.0 - 3.8	33	45500	45500	Unch

Cotlook Index: As on 04/02/2013

Cotlook Indices	Cents/Pound	Change
A-Index	90.35	Unch

China Cotton Index: As on 05/02/2013

Index	RMB/Ton	Change
CCIndex(328)	19276	-1
CCIndex(527)	16921	-1
CCIndex(229)	20037	-1

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

USDA Cotton Spot Rates: As on 04/02/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	78.24	81.49	1934
North Delta	77.49	79.99	NIL
South Delta	77.49	79.99	NIL
East TX-OK	73.5	76.25	961
West Texas	73.5	76.75	1760
Desert SW	76.24	82.74	NIL
SJ Valley	76.99	87.64	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 04/02/2013

Contract	Open	High	Low	Close	Change
13-Mar	82.9	82.9	81.3	81.74	-1.24
13-May	83.41	83.41	81.95	82.57	-0.98
13-Jul	83.74	83.75	82.3	83.37	-0.51
13-Oct	81.75	81.88	81.75	81.88	-0.41
13-Dec	81.04	81.6	80.43	81.49	0.03
14-Mar	82.19	82.51	81.49	82.49	0.09

Pakistan Cotton Spot rates: As on 04/02/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6100	155	6255
Equivalent	40 Kgs	6537	155	6692

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