

## Cotton Domestic Fundamentals:

- Cotton prices noticed week tone on Wednesday except Fazilika.
- 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	12	815.00	836.00	815.00	836.00
Apr-13	3.5	879	882.5	874	882.00

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	4	-8	24	-4
Apr-13	6541	191	13519	191

### Spread Feb-13 Apr-13

Basis	60
Feb-13	12
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	1.5	857.5	860	852.8	858.7
Apr-13	3	888.7	890	882	889.1

### Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	289	-179	1369	116
Apr-13	662	-86	2062	316

### Spread Feb-13 Apr-13

Basis	11.3
Feb-13	30.4
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	16630	16660	16560	16640
28-Feb-13	0	16900	16920	16820	16900
29-Mar-13	-0.12	17200	17200	17090	17170
30-Apr-13	-0.57	17530	17530	17360	17420
31-May-13	0.12	16630	16660	16560	16640

**Cotton Prices at Key Spot Markets**

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	06-02-2013	05-02-2013	
Amravati-Vunni Mech-1#	4035	4050	-15
Kadi-Bt Cotton#	4150	4150	Unch
Ahmedabad-Shankar-6#	4350	4350	Unch
Gondal	4270	4345	-75
Rajkot-(B.T)	4275	4325	-50
Abohar-J-34*	3675	3695	-20
Muktsar-J-34 *(Cotton )	3675	3695	-20
*(Kapas BT Cotton)	-	-	-
Fajlika *(Cotton New)	3630	3670	-40
*(Kapas BT Cotton)	4325	4310	15
Khandwa-(M.P)	4080	4100	-20
Khargaon-(M.P)	4080	4100	-20
Sri-Ganganagar	3600	3600	Unch

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

**Cotton Arrivals in Key Centers**

Centre (1 bale = 170 Kg)	Arrivals		Change
	06-02-2013	05-02-2013	
Amravati -Vunni Mech-1#	3000	1500	1500
Kadi -Bt Cotton	45000	45000	Unch
Ahmedabad - Shankar-6#	42000	42000	Unch
Gondal	1396	1250	146
Rajkot-(B.T)	3810	4030	-220
Abohar-J-34*	400	-	-
Muktsar-J-34 *(Cotton )	-	-	-
*(Kapas BT Cotton)	-	-	-
Fajlika *(Cotton New)	-	-	-
*(Kapas BT Cotton)	1500	600	900
Khandwa (M.P)	3500	4000	-500
Khargaon-(M.P)	10000	10000	Unch
Sri-Ganganagar	500	-	-

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

**Cotton Association of India Spot Rates: 05/02/2013**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (05/02/2013)	Rs. Per Candy (04/02/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	33700	34000	<b>-300</b>
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	34100	34400	<b>-300</b>
J-34(202)	26mm	3.5 - 4.9	23	33700	33900	<b>-200</b>
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33300	33600	<b>-300</b>
Shankar-6(105)	29mm	3.5 - 4.9	28	33900	34000	<b>-100</b>
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	34800	34800	<b>Unch</b>
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35600	35600	<b>Unch</b>
DCH-32(107)	34mm	3.0 - 3.8	33	45500	45500	<b>Unch</b>

**Cotlook Index: As on 05/02/2013**

Cotlook Indices	Cents/Pound	Change
A-Index	89.20	<b>-1.15</b>

**China Cotton Index: As on 06/02/2013**

Index	RMB/Ton	Change
CCIndex(328)	19275	<b>-1</b>
CCIndex(527)	16920	<b>-1</b>
CCIndex(229)	20035	<b>-2</b>

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

**USDA Cotton Spot Rates: As on 05/02/2013**

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	78.01	81.26	<b>3115</b>
North Delta	77.26	79.76	<b>NIL</b>
South Delta	77.26	79.76	<b>NIL</b>
East TX-OK	73.5	76.25	<b>328</b>
West Texas	73.5	76.75	<b>751</b>
Desert SW	76.01	82.51	<b>NIL</b>
SJ Valley	76.76	87.41	<b>NIL</b>

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 05/02/2013**

Contract	Open	High	Low	Close	Change
13-Mar	81.65	81.88	80.79	81.51	-0.23
13-May	82.45	82.72	81.73	82.46	-0.11
13-Jul	83.12	83.45	82.5	83.24	-0.13
13-Oct	82.32	82.7	82.32	82.7	0.82
13-Dec	81.47	82	81.2	81.91	0.42
14-Mar	82.39	82.91	82.25	82.91	0.42

**Pakistan Cotton Spot rates: As on 05/02/2013 (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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