

Cotton Domestic Fundamentals:

- Cotton prices noticed mixed tone on Thursday.
- Cotton traded higher in North India.
- 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	-3	822.00	828.00	822.00	822.50
Apr-13	10.5	882	893	879.5	892

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	6	2	24	0
Apr-13	7650	-150	13369	-150

Spread Feb-13 Apr-13

Basis	65	
Feb-13		27
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	6.4	858	866.6	857.6	865.20
Apr-13	9.4	888	898.6	887	897.80

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	441	152	1358	-11
Apr-13	522	-140	2018	-44

Spread Feb-13 Apr-13

Basis	-0.2	
Feb-13		32.6
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
28-Feb-13	0.36	16610	16730	16600	16710
29-Mar-13	0.59	16900	17020	16860	17010
30-Apr-13	0.52	16700	17280	16700	17260
31-May-13	0.63	17430	17510	17430	17510
28-Jun-13	0.45	17730	17790	17570	17740

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	07-02-2013	06-02-2013	
Amravati-Vunni Mech-1#	4065	4035	30
Kadi-Bt Cotton#	4200	4150	50
Ahmedabad-Shankar-6#	4325	4350	-25
Gondal	4260	4270	-10
Rajkot-(B.T)	4260	4275	-15
Abohar-J-34*	3690	3675	15
Muktsar-J-34 *(Cotton)	3690	3675	15
#(Kapas BT Cotton)	-	-	-
Fajlika #(Cotton New)	3650	3630	20
#(Kapas BT Cotton)	4335	4325	10
Khandwa-(M.P)	4080	4080	Unch
Khargaon-(M.P)	4080	4080	Unch
Sri-Ganganagar	3615	3600	15

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	07-02-2013	06-02-2013	
Amravati -Vunni Mech-1#	4000	3000	1000
Kadi -Bt Cotton	45000	45000	Unch
Ahmedabad - Shankar-6#	42000	42000	Unch
Gondal	913	1396	-483
Rajkot-(B.T)	3930	3810	120
Abohar-J-34*	500	400	100
Muktsar-J-34 *(Cotton)	-	-	-
#(Kapas BT Cotton)	-	-	-
Fajlika #(Cotton New)	-	-	-
#(Kapas BT Cotton)	1200	1500	-300
Khandwa (M.P)	4000	3500	500
Khargaon-(M.P)	10000	10000	Unch
Sri-Ganganagar	5000	5000	Unch

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

Cotton Association of India Spot Rates: 06/02/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (06/02/2013)	Rs. Per Candy (05/02/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	33600	33700	-100
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	34000	34100	-100
J-34(202)	26mm	3.5 - 4.9	23	33600	33700	-100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33300	33300	Unch
Shankar-6(105)	29mm	3.5 - 4.9	28	33900	33900	Unch
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 06/02/2013

Cotlook Indices	Cents/Pound	Change
A-Index	88.90	-0.30

China Cotton Index: As on 07/02/2013

Index	RMB/Ton	Change
CCIndex(328)	19273	-2
CCIndex(527)	16917	-3
CCIndex(229)	20033	-2

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

USDA Cotton Spot Rates: As on 06/02/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	78.01	81.26	3115
North Delta	77.26	79.76	NIL
South Delta	77.26	79.76	NIL
East TX-OK	73.5	76.25	328
West Texas	73.5	76.75	751
Desert SW	76.01	82.51	NIL
SJ Valley	76.76	87.41	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 06/02/2013

Contract	Open	High	Low	Close	Change
13-Mar	81.71	81.96	80.99	81.72	0.21
13-May	82.66	82.71	81.92	82.55	0.09
13-Jul	83.24	83.47	82.6	83.32	0.08
13-Oct	82.62	82.92	82.62	82.91	0.21
13-Dec	81.8	82	81.25	82	0.09
14-Mar	82.6	82.93	82.6	82.93	0.02

Pakistan Cotton Spot rates: As on 06/02/2013 (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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