

Cotton Domestic Fundamentals:

- Cotton prices noticed strong tone on Monday.
- Cotton traded higher in on good expected demand ahead of USDA report.
- Spinners and exporters are active in the market.
- Export enquiries are reported from China at 85 cents per pound and Bangladesh at 87-88 cents per pound.
- Currently, mills are primary buyers, while export demand is very limited. In this condition, price may remain at the current level.

Cotton International Fundamentals

- USDA report; China increased import forecast from 12.5 million bales to 14 million bales.
- Net upland sales of 93,600 bales for 2012-13 marketing year were 29 percent down. Mainly exported to Turkey, Taiwan, and Vietnam.
- Bangladesh is inking a deal with India to procure 15 lakh bales every year.

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	15	835.00	839.50	830.00	830.00
Apr-13	17.5	887	913.5	887	904.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	16	11	17	-3
Apr-13	12609	-270	13106	-270

Spread Feb-13 Apr-13

Basis	60	
Feb-13		34
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	12.9	863	885	863	873
Apr-13	17.2	897	918.9	892	910.50

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	949	728	1263	-47
Apr-13	1190	864	1944	-106

Spread Feb-13 Apr-13

Basis	-3	
Feb-13		37.5
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	1.07	16900	17190	16900	17050
29-Mar-13	0.99	17270	17490	17270	17350
30-Apr-13	0.92	17550	17770	17550	17630
31-May-13	0.84	17890	18050	17870	17910
28-Jun-13	1.11	18200	18210	18100	18170

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	11-2-2013	9-2-2013	
Amravati-Vunni Mech-1#	4100	4025	+75
Kadi-Bt Cotton#	4250	4250	Unch
Ahmedabad-Shankar-6#	4400	4350	+50
Gondal	4475	4295	+180
Rajkot-(B.T)	4340	4290	+50
Abohar-J-34*	3800	3735	+65
Muktsar-J-34 *(Cotton) #(Kapas BT Cotton)	3800	3740	+60
	4350	4350	Unch
Fajlika #(Cotton New) #(Kapas BT Cotton)	3720	3710	+10
	4490	4390	+100
Khandwa-(M.P)	4180	-	-
Khargaon-(M.P)	4180	-	-
Sri-Ganganagar	3750	3660	+90

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	11-2-2013	9-2-2013	
Amravati -Vunni Mech-1#	3000	3000	Unch
Kadi -Bt Cotton	25000	35000	-10000
Ahmedabad - Shankar-6#	40000	42000	-2000
Gondal	2070	1234	+836
Rajkot-(B.T)	5030	4200	+830
Abohar-J-34*	700	700	Unch
Muktsar-J-34 *(Cotton) #(Kapas BT Cotton)	-	-	-
	-	-	-
Fajlika #(Cotton New) #(Kapas BT Cotton)	-	-	-
	1500	1500	Unch
Khandwa (M.P)	3500	-	-
Khargaon-(M.P)	8000	-	-
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: 09/02/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (09/02/2013)	Rs. Per Candy (08/02/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	33900	33900	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	34300	34300	Unch
J-34(202)	26mm	3.5 - 4.9	23	34100	33900	+200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	33600	33500	+100
Shankar-6(105)	29mm	3.5 - 4.9	28	34200	34100	+100
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	35000	34800	+200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	35700	35600	+100
DCH-32(107)	34mm	3.0 - 3.8	33	45500	45500	Unch

Cotlook Index: As on 08/02/2013

Cotlook Indices	Cents/Pound	Change
A-Index	89.05	-0.10

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 08/02/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	79.42	82.67	1203
North Delta	78.42	80.92	NIL
South Delta	78.42	80.92	NIL
East TX-OK	74.5	77.25	195
West Texas	74.5	77.75	1638
Desert SW	77.17	83.67	NIL
SJ Valley	77.92	88.57	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 08/02/2013

Contract	Open	High	Low	Close	Change
13-Mar	81.27	83.03	81.01	82.67	1.27
13-May	82.3	83.5	81.86	83.3	1.02
13-Jul	83.05	84.08	82.62	83.97	0.92
13-Oct	83.4	83.52	83.4	83.52	0.22
13-Dec	82.01	83	81.94	82.92	0.54
14-Mar	82.98	83.84	82.98	83.84	0.51

Pakistan Cotton Spot rates: As on 08/02/2013 (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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