

Cotton Domestic Fundamentals:

- Cotton prices noticed mixed tone on Tuesday.
- Strong demand is expected to arrive in the as Chinese import quota are announced officially.
- 58.2 % of the production has arrived in the markets. Total arrivals reported are around 190 lakh bales thus far from the estimated 327 lakh bales production for the season.
- Export buying is keeping the market firm though there is no flare-up in the domestic prices.
- Exports in the month of January, 2013 stood at 45 lakh bales.

Cotton International Fundamentals

- China will be releasing cotton import quota of 682,000 tonnes under the tariff rate quota and Indian cotton could get a sizeable chunk of it.
- USA cotton acreage are going to be 27 percent less than last sowing year, as sowing season has begun. Farmers have shifted to more cash dividend crop like soybean and corn. This might fuel prices in last quarter of this 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	0	0.00	0.00	0.00	840.50
Apr-13	-3	939	940	941	923

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	0	-2	11	0
Apr-13	5226	187	12255	187

Spread Feb-13 Apr-13

Basis	50	
Feb-13		43
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	-7.3	890.4	891.2	883.5	885.1
Apr-13	-10.5	940	940	925.3	928

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	254	-105	1289	-13
Apr-13	548	-512	1814	18

Spread Feb-13 Apr-13

Basis	-5.1	
Feb-13		42.9
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	-				
29-Mar-13	-				
30-Apr-13	-				
31-May-13	-				
28-Jun-13	-				

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	19-2-2013	18-2-2013	
Amravati-Vunni Mech-1#	4250	-	-
Kadi-Bt Cotton#	4400	4300-4500	-
Ahmedabad-Shankar-6#	-	4300-4450	-
Gondal	4555	-	-
Rajkot-(B.T)	4585	4350-4515	-
Abohar-J-34*	3890	3905	-15
Muktsar-J-34 *(Cotton) #(Kapas BT Cotton)	3900	3905	-5
	4600	-	-
Fajlika #(Cotton New) #(Kapas BT Cotton)	3890	3900-3910	-
	4790	4710	80
Khandwa-(M.P)	4290	4150-4300	-
Khargaon-(M.P)	4290	4300	-
Sri-Ganganagar	3800	3810	-10

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	19-2-2013	18-2-2013	
Amravati -Vunni Mech-1#	4000	-	-
Kadi -Bt Cotton	35000	15000	20000
Ahmedabad - Shankar-6#	-	30000	-
Gondal	870	-	-
Rajkot-(B.T)	2000	3000	-1000
Abohar-J-34*	300	200	100
Muktsar-J-34 *(Cotton) #(Kapas BT Cotton)	200	-	-
	-	-	-
Fajlika #(Cotton New) #(Kapas BT Cotton)	-	-	-
	800	1000	-200
Khandwa (M.P)	3500	4000	-500
Khargaon-(M.P)	9000	7000	2000

Sri-Ganganagar	3000	2000	1000
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Khandwa, Kadi, Fajlika-1 Truck-100 Qtls, Amravati-1 Truck-100 kgs, Ahmadabad, Abohar and Muktsar-Bales

Cotton Association of India Spot Rates: 18/02/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (18/02/2013)	Rs. Per Candy (15/02/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	33900	33700	+200
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	34900	34700	+200
J-34(202)	26mm	3.5 - 4.9	23	35600	35000	+600
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	34500	34100	+400
Shankar-6(105)	29mm	3.5 - 4.9	28	35000	34600	+400
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	35700	35300	+400
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	36700	36100	+600
DCH-32(107)	34mm	3.0 - 3.8	33	46800	46100	+700

Cotlook Index: As on 18/02/2013

Cotlook Indices	Cents/Pound	Change
A-Index	89.80	+0.50

China Cotton Index: As on 19/02/2013

Index	RMB/Ton	Change
CCIndex(328)	19285	+5
CCIndex(527)	16922	+5
CCIndex(229)	20038	+3

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

USDA Cotton Spot Rates: As on 15/02/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	79.19	82.44	1004
North Delta	78.19	80.69	NIL
South Delta	78.19	80.69	NIL
East TX-OK	74.00	76.75	615
West Texas	74.00	77.25	2255
Desert SW	76.19	82.69	NIL
SJ Valley	76.94	87.59	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 15/02/2013

Contract	Open	High	Low	Close	Change
13-Mar	81.07	82.12	80.55	81.32	0.3
13-May	82.59	83.86	82.36	83.19	0.4
13-Jul	83.7	84.64	83.31	84.05	0.34
13-Oct	83.83	83.83	83.83	83.83	0.18
13-Dec	82.87	83.69	82.67	83.25	0.25
14-Mar	83.51	83.8	83.51	83.8	0.11

Pakistan Cotton Spot rates: As on 18/02/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6250	155	6405
Equivalent	40 Kgs	6698	155	6853

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