

Cotton Domestic Fundamentals:

- Cotton prices showed mixed tone on Wednesday.
- Southern Millers are asking for CCI to announce a selling price for the cotton the latter procured from Andhra Pradesh, as exports have raised the cotton prices in the domestic market which millers are finding difficult to procure. Also, the millers are on buying spree which they had ignored earlier as they were expecting prices to come down from regular levels.
- Farmers are not willing to release cotton at low prices when arrivals are falling and demand is growing.
- Cotton arrival in India declined from 2,15,000 bales to 1,75,000 bales in India.
- Cotton prices have firmed up since last two three weeks as foreign companies have increased their buying from here. Moreover decline in arrivals and domestic mills' increased demand has been supporting the price rise.
- Prices are expected to go down by Rs.50 from current levels and take correction from there.

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.
- According to USDA, the U.S. cotton crop is projected to fall sharply to about 14.0 million bales in 2013/14, accounting for most of the expected decline in world production, as producers shift area to corn and soybeans following the historic mid-western drought of summer 2012. Accordingly, U.S. cotton stocks, which are estimated to rise in 2012/13, are expected to tighten again in 2013/14.

Outlook: We expect domestic cotton prices to continue steady to firm tone on good buying by millers.

NCDEX Kapas Futures: (Prices in Rs/20kg)

Contract	+/-	Open	High	Low	Close
Feb-13	0	0.00	0.00	0.00	0.00
Apr-13	3.5	997	1006.5	989	996.50

MCX Kapas Futures: (Prices in Rs/20kg)

Contract	+/-	Open	High	Low	Close
Feb-13	-4.2	949.9	957.8	938.5	941.3
Apr-13	2.9	993	1006	989.2	996.1

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	0	-2	5	-1
Apr-13	16561	28	11973	28

Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	499	-18	1400	1
Apr-13	1815	373	1497	15

Spread
Feb-13
Apr-13

Basis

-92

Feb-13

17

April-13

NB: Spread was done by taking avg spot prices at Ahmedabad – Shankar-6 market. Basis = Spot- April

Spread
Feb-13
Apr-13

Basis

38.7

Feb-13

54.8

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	0.73	17920	18020	17820	17980
29-Mar-13	0.55	18190	18300	18110	18250
30-Apr-13	0.6	18550	18620	18430	18570
31-May-13	0.75	18820	18860	18690	18830
28-Jun-13	0.53	19070	19100	18950	19030

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	27-2-2013	26-2-2013	
Amravati-Vunni Mech-1#	4650	4550	100
Kadi-Bt Cotton#	4650	4700	-50
Ahmedabad-Shankar-6#	4900	4825	75
Gondal	4920	4970	-50
Rajkot-(B.T)	4895	4905	-10
Abohar-J-34*	4025	4010	15
Muktsar-J-34 *(Cotton) #(Kapas BT Cotton)	4025	4010	15
	4900	4900	Unch
Fajlika #(Cotton New) #(Kapas BT Cotton)	3990	4000	-10
	4970	4997	-27
Khandwa-(M.P)	-	-	-
Khargaon-(M.P)	-	-	-
Sri-Ganganagar	3960	3940	20
Patan(B.T. Cotton)	4900	4800	-100

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	27-2-2013	26-2-2013	
Amravati -Vunni Mech-1#	2500	4000	-1500
Kadi -Bt Cotton	15000	25000	-10000
Ahmedabad - Shankar-6#	25000	22000	3000
Gondal	1115	1504	-389
Rajkot-(B.T)	3250	2250	1000
Abohar-J-34*	100	500	-400
Muktsar-J-34 *(Cotton) #(Kapas BT Cotton)	-	-	-
	200	200	Unch
Fajlika #(Cotton New) #(Kapas BT Cotton)	-	-	-
	600	100	500
Khandwa (M.P)	-	-	-

Khargaon-(M.P)	-	-	-
Sri-Ganganagar	2000	1000	1000
Patan(B.T. Cotton)	8841	7162	1679

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

Cotton Association of India Spot Rates: 26/02/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (26/02/2013)	Rs. Per Candy (25/02/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	34600	34600	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	35600	35600	Unch
J-34(202)	26mm	3.5 - 4.9	23	36600	36800	-200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	35600	35800	-200
Shankar-6(105)	29mm	3.5 - 4.9	28	36400	36700	-300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	36800	37100	-300
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	-	38500	-
DCH-32(107)	34mm	3.0 - 3.8	33	47300	47300	Unch

Cotlook Index: As on 26/02/2013

Cotlook Indices	Cents/Pound	Change
A-Index	88.80	-1.15

China Cotton Index: As on 27/02/2013

Index	RMB/Ton	Change
CCIndex(328)	19319	+10
CCIndex(527)	16938	+5
CCIndex(229)	20055	+2

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

USDA Cotton Spot Rates: As on 26/02/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	78.33	81.58	302
North Delta	76.83	79.83	NIL
South Delta	76.83	79.33	NIL
East TX-OK	74.25	77.25	NIL
West Texas	74.25	77.5	434
Desert SW	74.83	81.33	NIL
SJ Valley	75.58	86.23	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 26/02/2013

Contract	Open	High	Low	Close	Change
13-Mar	80.77	81.1	80.06	80.33	0.11
13-May	81.68	82.64	81.39	81.83	0.11
13-Jul	82.51	83.34	82.22	82.58	0.03
13-Oct	83.6	83.6	83.6	83.6	0.16
13-Dec	82.5	83.05	82.3	82.82	0.31
14-Mar	82.9	82.94	82.69	82.94	0.35

Pakistan Cotton Spot rates: As on 26/02/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6400	155	6555
Equivalent	40 Kgs	6859	155	7014

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