

## Cotton Domestic Fundamentals:

- Cotton prices showed strong tone on Thursday except Gondal.
- Ministry of Textile, has given directions to CCI to increase its procurement rate in all states, which millers are opposing as they are left with short stock for their inventory.
- Indian traders have cancelled the majority of orders to Pakistan, which were at set price, to get benefit of the higher prevailing prices. Cotton Consumption in Pakistan is 15 lakh bales but it has projection of 13.5 lakh bales, rest it is importing from India, US, Brazil and West Africa.

## Cotton International Fundamentals

- On 18th February, reserve cotton release restarted. During the Spring Festival, international cotton price edged higher, narrowing its gap between domestic cotton. Reserve cotton release actual transaction of the week was 126,290 ton, 31.51% of the release target, 25% up than that before holiday. By 22nd, February, reserve cotton of 2012/13 season released for 1,519,000 ton, and concluded by 517,975 ton, by 34.1%.
- China cotton, with still sluggish demand, cotton spot price was stable.

**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	-26	840.00	840.50	840.00	840.00
Apr-13	10	1000	1014.5	1000	1007.50

### Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Feb-13	3	3	4	-1
Apr-13	14360	5	11978	5

### 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

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

Contract	+/-	Open	High	Low	Close
Feb-13	1.5	951.9	952	940	945.1
Apr-13	9.9	1005.9	1014	1002	1007.5

### Volumes and OI lots

Contract	Volume	Change	OI	Change
Feb-13	247	-252	1403	3
Apr-13	1360	-455	1505	8

### Spread Feb-13 Apr-13

Basis	34.9	
Feb-13		62.4
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
28-Feb-13	2.28	18130	18400	18120	18390
29-Mar-13	1.59	18330	18600	18330	18550
30-Apr-13	1.72	18710	18910	18710	18890
31-May-13	1.59	18980	19170	18800	19140
28-Jun-13	1.57	19200	19380	19200	19360

## Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	28-2-2013	27-2-2013	
Amravati-Vunni Mech-1#	4700	4650	50
Kadi-Bt Cotton#	4800	4650	150
Abohar-J-34*	4100	4025	75
Muktsar-J-34 *(Cotton )	4100	4025	75
*(Kapas BT Cotton)	5030	4900	130
Ahmedabad-Shankar-6#	4900	4900	Unch
Fajlika *(Cotton New)	4080	3990	90
*(Kapas BT Cotton)	5060	4970	90
Khandwa-(M.P)	-	-	-
Khargaon-(M.P)	-	-	-
Gondal	4910	4920	-10
Rajkot-(B.T)	4900	4895	5
Sri-Ganganagar	4020	3960	60
Patan(B.T. Cotton)	4920	4900	20

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

## Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	28-2-2013	27-2-2013	
Amravati -Vunni Mech-1#	1500	2500	-1000
Kadi -Bt Cotton	15000	15000	Unch
Abohar-J-34*	300	100	200
Muktsar-J-34 *(Cotton )	250	200	50
*(Kapas BT Cotton)	20000	25000	-5000
Ahmedabad - Shankar-6#	600	600	Unch
Fajlika *(Cotton New)	-	-	-
*(Kapas BT Cotton)	-	-	-
Khandwa (M.P)	1807	1115	692
Khargaon-(M.P)	3600	3250	350
Gondal	1000	2000	-1000
Rajkot-(B.T)	7810	8841	-1031

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

**Cotton Association of India Spot Rates: 27/02/2013**

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (27/02/2013)	Rs. Per Candy (26/02/2013)	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	36900	36600	+300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	35700	35600	+100
Shankar-6(105)	29mm	3.5 - 4.9	28	36600	36400	+200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	36900	36800	+100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	-	-	-
DCH-32(107)	34mm	3.0 - 3.8	33	47300	47300	Unch

**Cotlook Index: As on 27/02/2013**

Cotlook Indices	Cents/Pound	Change
A-Index	88.80	Unch

**China Cotton Index: As on 28/02/2013**

Index	RMB/Ton	Change
CCIndex(328)	19325	+6
CCIndex(527)	16944	+6
CCIndex(229)	20056	+1

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	80.88	84.13	NIL
North Delta	79.38	81.88	NIL
South Delta	79.38	81.88	NIL
East TX-OK	76.75	79.75	1183
West Texas	76.75	80	2305
Desert SW	77.88	84.38	NIL
SJ Valley	78.63	89.28	200

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 27/02/2013**

Contract	Open	High	Low	Close	Change
<b>13-Mar</b>	81.61	83.25	81.6	82.73	<b>2.4</b>
<b>13-May</b>	81.9	84.76	81.9	84.38	<b>2.55</b>
<b>13-Jul</b>	82.7	85.06	82.7	84.8	<b>2.22</b>
<b>13-Oct</b>	85.37	85.37	85.37	85.37	<b>1.77</b>
<b>13-Dec</b>	82.8	84.75	82.8	84.7	<b>1.88</b>
<b>14-Mar</b>	83.33	84.44	83.18	84.44	<b>1.5</b>

**Pakistan Cotton Spot rates: As on 27/02/2013 (in Pakistan Rupees)**

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

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