

Cotton Domestic Fundamentals:

- Cotton prices showed week tone on Saturday. Market is making corrections, but sustain around current levels.
- Textile Industry has welcomed union budget decision of removing the excise duty on garments. Giving investment allowance of 15% in on investments more than Rs 100 crores in plant & machinery will boost the growth of the industry.
- 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.

Cotton International Fundamentals

- In January, 2013, cotton import volume declined over the month, and average price also decreased. According to Customs, by January, China imported cotton of 457,500 ton, 75,000 ton less by 14% over last month; and that increased by 130,000 ton, up by 40.1% compared with last January; the average price was 1,866 USD/ton, 81 USD less over the month, and down by 4.2%, that decreased by 22.3% Y/Y. The total import for the first five months of 2012/13 was 1.828 million ton, down by 8.6% Y/Y.
- On 18th February, 2013 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%.

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
Mar-13	-1	912.00	939.00	912.00	939.00
Apr-13	-1.5	975	985	965.5	973.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-13	2	2	1	-1
Apr-13	8324	192	11313	192

Spread Feb-13 Apr-13

Basis	-92	
Mar-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
Mar -13	-2.7	917.1	935.8	917.1	924.40
Apr-13	0.1	968	986	968	978.00

Volumes and OI lots

Contract	Volume	Change	OI	Change
Mar -13	389	-81	1316	12
Apr-13	885	-1203	1574	58

Spread Feb-13 Apr-13

Basis	54	
Mar -13		50.5
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
29-Mar-13	0.55	18380	18410	18240	18360
30-Apr-13	0.54	18570	18730	18550	18660
31-May-13	0.64	19000	19000	18830	18940
28-Jun-13	0.42	18980	19170	18980	19130
31-Jul-13	-0.21	19010	19420	19000	19420

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	02-3-2013	01-3-2013	
Amravati-Vunni Mech-1#	4650	4700	-50
Kadi-Bt Cotton#	4700	4900	-200
Abohar-J-34*	4110	4130	-20
Muktsar-J-34 *(Cotton)	4110	4140	-30
*(Kapas BT Cotton)	4900	4950	-50
Ahmedabad-Shankar-6#	4900	5000	-100
Fajlika *(Cotton New)	4080	4110	-30
*(Kapas BT Cotton)	5160	5175	-15
Khandwa-(M.P)	-	-	-
Khargaon-(M.P)	-	-	-
Gondal	4940	5125	-185
Rajkot-(B.T)	4950	5020	-70
Sri-Ganganagar	4020	4160	-140
Patan(B.T. Cotton)	4885	4950	-65

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	02-3-2013	01-3-2013	
Amravati -Vunni Mech-1#	6000	3000	+3000
Kadi -Bt Cotton	15000	20000	-5000
Abohar-J-34*	400	400	Unch
Muktsar-J-34 *(Kapas BT Cotton)	400	400	Unch
Ahmedabad - Shankar-6#	25000	20000	+5000
Fajlika *(Kapas BT Cotton)	700	700	Unch
Khandwa (M.P)	-	-	-
Khargaon-(M.P)	-	-	-
Gondal	1397	1024	+373
Rajkot-(B.T)	4500	9100	-4600
Sri-Ganganagar	1000	2000	-1000

Patan(B.T. Cotton)	7977	7504	+473
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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: 01/03/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (01/03/2013)	Rs. Per Candy (28/02/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	35600	35100	+500
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	36600	36100	+500
J-34(202)	26mm	3.5 - 4.9	23	37600	37700	-100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	36500	36300	+200
Shankar-6(105)	29mm	3.5 - 4.9	28	37600	37200	+400
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	37900	37500	+400
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 01/03/2013

Cotlook Indices	Cents/Pound	Change
A-Index	91.40	+0.90

China Cotton Index: As on 01/03/2013

Index	RMB/Ton	Change
CCIndex(328)	19326	+1
CCIndex(527)	16948	+4
CCIndex(229)	20058	+2

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

USDA Cotton Spot Rates: As on 01/03/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	82.4	85.65	NIL
North Delta	80.9	83.4	NIL
South Delta	80.9	83.4	NIL
East TX-OK	77.25	80.25	1762
West Texas	77.25	80.5	1441
Desert SW	78.9	85.4	NIL
SJ Valley	79.65	90.3	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 01/03/2013

Contract	Open	High	Low	Close	Change
13-Mar	83.98	84.05	83.4	83.68	0.12
13-May	85.1	85.8	84.13	85.4	0.11
13-Jul	85.84	86.35	84.94	86.05	0.11
13-Oct	85.55	85.55	85.55	85.55	-0.03
13-Dec	84.75	85.4	84.22	85.14	-0.07
14-Mar	84.45	84.58	83.88	84.53	-0.01

Pakistan Cotton Spot rates: As on 01/03/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6450	155	6605
Equivalent	40 Kgs	6912	155	7067

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