

Cotton Domestic Fundamentals:

- Cotton prices showed strong tone on Thursday except Rajkot and Patan.
- Millers are not showing interest in buying at such high prices.
- Arrivals so far have been around 260 lakh bales compared to 330 lakh bales last year at same time.
- Textile industry is asking CCI and other state agencies to release the cotton which was procured at MSP, to stabilize the domestic prices. CCI is said to have procured around 22 lakh bales of cotton.
- According to reports CCI has procured 21.5 million bales from A.P of total 72 million bales projected. Private millers and stockiest have taken over 60 percent of the stocks from the market.
- China decision to import additional 40 lakh bales from major importing countries has spurred up the prices in local markets.

Cotton International Fundamentals

- Australian cotton projection for 2013-14 is lower by 9 lakh bales, as area under cotton planting is likely to be down.
- US cotton futures rises 10 month high as speculations of higher exports of cotton, it is expected to be raised in USDA report. As China, world largest textile maker is importing good quantity of yarn.
- Global cotton production for 2013-14 is projected at 115.5 million bales of 218kg each, down by three percent as compared to the last fiscal year as relatively lower cotton market prices are expected to cause a shift in cultivated area from cotton to more profitable alternatives, according to the USDA's Agricultural Outlook 2013.

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	0	0.00	0.00	0.00	0.00
Apr-13	7.5	956	967.5	956	965.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-13	0	0	1	0
Apr-13	6743	-66	11779	-66

Spread Feb-13 Apr-13

Basis	-102	
Mar-13		7
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	5.9	892	915	892	907
Apr-13	6.8	957.3	969	956.7	966

Volumes and OI lots

Contract	Volume	Change	OI	Change
Mar -13	202	-90	1165	-28
Apr-13	729	-512	1677	-41

Spread Feb-13 Apr-13

Basis	83	
Mar -13		59
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	0.98	18410	18590	18380	18590
30-Apr-13	1.12	18750	18920	18700	18920
31-May-13	1.21	19040	19220	19000	19220
28-Jun-13	0.99	19250	19430	19240	19410
31-Jul-13	0.77	19750	19750	19470	19640

Cotton Prices at Key Spot Markets

Centre (1 bale = 170 Kg)	Prices (Rs/Qtl)		Change
	07-3-2013	06-3-2013	
Amravati-Vunni Mech-1#	4700	4650	50
Kadi-Bt Cotton#	4850	4850	Unch
Abohar-J-34*	4170	4130	40
Muktsar-J-34 *(Cotton)	4175	4130	45
*(Kapas BT Cotton)	5000	4800	200
Ahmedabad-Shankar-6#	4950	4900	50
Fajlika *(Cotton New)	4125	4070	55
*(Kapas BT Cotton)	5050	5031	19
Khandwa-(M.P)	4820	4800	20
Khargaon-(M.P)	4820	4800	20
Gondal	4935	4755	180
Rajkot-(B.T)	4875	4885	-10
Sri-Ganganagar	4070	4050	20
Patan(B.T. Cotton)	4835	4875	-40

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

Cotton Arrivals in Key Centers

Centre (1 bale = 170 Kg)	Arrivals		Change
	07-3-2013	06-3-2013	
Amravati -Vunni Mech-1#	2000	4000	-2000
Kadi -Bt Cotton	12500	10000	2500
Abohar-J-34*	300	200	100
Muktsar-J-34 *(Kapas BT Cotton)	300	300	Unch
Ahmedabad - Shankar-6#	30000	20000	10000
Fajlika *(Kapas BT Cotton)	800	1100	-300
Khandwa (M.P)	2000	1400	600
Khargaon-(M.P)	10000	8000	2000
Gondal	934	835	99
Rajkot-(B.T)	4200	4000	200
Sri-Ganganagar	3000	1500	1500

Patan(B.T. Cotton)	7217	9442	-2225
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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: 06/03/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (06/03/2013)	Rs. Per Candy (05/03/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	35800	35800	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	36800	36800	Unch
J-34(202)	26mm	3.5 - 4.9	23	37800	37500	+300
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	36700	36500	+200
Shankar-6(105)	29mm	3.5 - 4.9	28	37400	37200	+200
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	37700	37500	+200
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	-	-	-
DCH-32(107)	34mm	3.0 - 3.8	33	46800	46800	Unch

Cotlook Index: As on 06/03/2013

Cotlook Indices	Cents/Pound	Change
A-Index	93.30	+0.75

China Cotton Index: As on 07/03/2013

Index	RMB/Ton	Change
CCIndex(328)	19342	+1
CCIndex(527)	16968	+3
CCIndex(229)	20062	+1

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

USDA Cotton Spot Rates: As on 06/03/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	84.49	87.74	1968
North Delta	83.24	85.74	NIL
South Delta	83.24	85.74	NIL
East TX-OK	78.5	81.5	1188
West Texas	78.5	81.75	2236
Desert SW	80.74	87.24	NIL
SJ Valley	81.49	92.14	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 06/03/2013

Contract	Open	High	Low	Close	Change
13-Mar	86.09	86.23	86.09	86.23	0.26
13-May	87	87.59	86.61	87.24	0.26
13-Jul	87.7	88.18	87.35	87.96	0.26
13-Oct	86.53	86.53	86.52	86.52	-0.01
13-Dec	85.55	86.42	85.48	86.31	0.57
14-Mar	85.27	86	85.27	86	0.76

Pakistan Cotton Spot rates: As on 06/03/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6500	155	6655
Equivalent	40 Kgs	6966	155	7121

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