

Cotton Domestic Fundamentals:

- Cotton prices noticed week tone on Monday.
- Low buying from millers and exporters due to high prices expectancy differs buyers from market.
- Cotton textile exports set to grow at 9 percent to \$9.56 billion in the current fiscal year.
- Domestic spot prices have hit highest of the current season with benchmark Shankar-6 candy at Rs.38, 500. This is due to rising demand from China, falling arrivals, holding of stocks by state agencies and stockiest. Chinese demand which has been growing, has allocated as much as 52.5 lakh bales of import quotas earlier in February 2013.
- As per latest reports, China will issue extra cotton import quotas to textile mills by around April, most of which will be issued to textile mills that export their products.

Cotton International Fundamentals

- Egypt agreed to export 5,615 metric tons of cotton in the week ending March 14. The country has shipped 51,170 tons of the fiber.
- Cotton ICE futures reached a high of 94.0 cents a pound on higher US exports to China.
- World cotton surplus estimates are projected lower with rising demand of China. World inventories will total 81.74 million bales in the year ending July 31, down from the February estimate of 81.86 million, the USDA said today in a report.
- Brazil ginning mills compete for cotton Quality fiber scarce after rain damaged last season crop. Brazil produces enough for domestic consumption but export enquires are being raised in US to Import as domestic prices are nearly touching international prices. \$81 cents a pound.

Outlook: We expect domestic cotton prices to notice sideways to weak tone amid lack of buying around current levels.

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

Contract	+/-	Open	High	Low	Close
Mar-13	-6	905.00	905.00	905.00	905.00
Apr-13	-17	982	982	962	968.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-13	1	-2	2	1
Apr-13	8157	432	10250	432

Spread Feb-13 Apr-13

Basis	-170	
Mar-13		-48
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	-16.2	920	921	901.1	906
Apr-13	-17.1	980	980	963	967

Volumes and OI lots

Contract	Volume	Change	OI	Change
Mar -13	402	128	736	-54
Apr-13	1086	183	1402	12

Spread Feb-13 Apr-13

Basis	98.5	
Mar -13		52
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	-1.27	18900	18900	18670	18720
30-Apr-13	-1.14	19200	19200	18980	19050
31-May-13	-1.23	19310	19450	19310	19350
28-Jun-13	-1.16	19420	19660	19410	19610
31-Jul-13	-0.9	20510	20510	19840	19880

Cotton Prices at Key Spot Markets

Centre	Prices		Change
	18-3-2013	16-3-2013	
Amravati-Vunni Mech-1#	4900	5050	-150
Kadi-Bt Cotton#	5100	5250	-150
Abohar-J-34*	4215	4310	-95
Muktsar-J-34 *(Cotton)	4200	4300	-100
*(Kapas BT Cotton)	5000	5100	-100
Ahmedabad-Shankar-6#	5050	5150	-100
Fajlika *(Cotton New)	4230	4280	-50
*(Kapas BT Cotton)	4970	5137	-167
Khandwa-(M.P)	-	-	-
Khargaon-(M.P)	-	-	-
Gondal	4960	5150	-190
Rajkot-(B.T)	4975	5075	-100
Sri-Ganganagar	4070	4180	-110
Patan(B.T. Cotton)	4820	4925	-105

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

Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	18-3-2013	16-3-2013	
Amravati -Vunni Mech-1#	1000	2000	-1000
Kadi -Bt Cotton	25000	10000	15000
Abohar-J-34*	600	1000	-400
Muktsar-J-34 *(Kapas BT Cotton)	300	400	-100
Ahmedabad - Shankar-6#	20000	19000	1000
Fajlika *(Kapas BT Cotton)	1500	1500	Unch
Khandwa (M.P)	-	-	-
Khargaon-(M.P)	-	-	-
Gondal	889	1088	-199
Rajkot-(B.T)	3150	3250	-100
Sri-Ganganagar	5000	4000	1000

Patan(B.T. Cotton)	7478	7525	-47
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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: 16/03/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (16/03/2013)	Rs. Per Candy (15/03/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	36100	36100	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	37100	37100	Unch
J-34(202)	26mm	3.5 - 4.9	23	38700	28900	-200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38600	38200	+400
Shankar-6(105)	29mm	3.5 - 4.9	28	39300	38900	+400
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	40200	39700	+500
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	-	-	-
DCH-32(107)	34mm	3.0 - 3.8	33	48200	48000	+200

Cotlook Index: As on 15/03/2013

Cotlook Indices	Cents/Pound	Change
A-Index	97.10	+2.10

China Cotton Index: As on 18/03/2013

Index	RMB/Ton	Change
CCIndex(328)	19362	+3
CCIndex(527)	16981	+3
CCIndex(229)	20075	+3

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

USDA Cotton Spot Rates: As on 15/03/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	90.25	93.5	1136
North Delta	89	91.5	1363
South Delta	89	91.5	NIL
East TX-OK	84.75	87.5	1349
West Texas	84.75	87.75	2147
Desert SW	86	92.5	NIL
SJ Valley	87	97.65	100

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 15/03/2013

Contract	Open	High	Low	Close	Change
13-Mar	90.86	93.93	90.5	92.5	1.64
13-May	91.5	94.2	91.03	92.76	1.22
13-Jul	89.43	89.43	89.43	89.43	0.01
13-Oct	88.39	89.2	88.16	88.51	-0.03
13-Dec	87.74	88	87.6	87.84	0.18
14-Mar	87.76	87.84	87.24	87.62	0.17

Pakistan Cotton Spot rates: As on 16/03/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6800	155	6955
Equivalent	40 Kgs	7288	155	7443

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