

Cotton Domestic Fundamentals:

- Cotton prices noticed mixed tone on Thursday.
- CCI is likely to offload around 4 lakh bales of cotton in domestic market along with NAFED, which could auction 3.63 lakh bales, by first week of April. This move is likely to ease prices which are firm at Rs38,500 a candy.
- 1.07 lakh bales of arrivals are reported across India.
- Indian millers don't have enough stocks to fill demand gap.
- Cotton textile exports set to grow at 9 percent to \$9.56 billion in the current fiscal year.

Cotton International Fundamentals

- USDA projects global 2013-14 cotton production at 115.5 million bales, down 3% from 2012-13.
- China is expected to stockpile 588 lakh bales of cotton in current year 2012-13. Country is expected to off load around 176 lakh bales for current year i.e. 2012-13. Beijing has been selling cotton at 141 US cents a pound in domestic market, where international FOB from major exporters is in range of 90-99 US cents a pound. International markets were down on news of selling of cotton reserves by India and China. ICE futures US declined to 89.10 cents a pound.
- US cotton futures continue to rise on high export demand.

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	5	900.00	900.00	900.00	900.00
Apr-13	-17	976	976	960.5	963.00

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-13	1	1	1	0
Apr-13	8473	478	10222	478

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	-15.2	906	906	898.5	900.00
Apr-13	-16.3	975.1	975.1	960	962.3

Volumes and OI lots

Contract	Volume	Change	OI	Change
Mar -13	333	107	664	-24
Apr-13	1128	139	1447	-37

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	0.64	18890	19010	18830	18950
30-Apr-13	0.52	19210	19330	19150	19260
31-May-13	0.67	19480	19630	19450	19570
28-Jun-13	0.46	19720	19870	19700	19810
31-Jul-13	0.7	20000	20100	19840	20040

Cotton Prices at Key Spot Markets

Centre	Prices		Change
	21-3-2013	20-3-2013	
Amravati-Vunni Mech-1#	4850	4900	-50
Kadi-Bt Cotton#	5000	5100	-100
Abohar-J-34*	4200	4225	-25
Muktsar-J-34 *(Cotton)	4215	4225	-10
*(Kapas BT Cotton)	4940	4950	-10
Ahmedabad-Shankar-6#	5050	5050	Unch
Fajlika *(Cotton New)	4200	4200	Unch
*(Kapas BT Cotton)	5067	5040	27
Khandwa-(M.P)	5000	4750	250
Khargaon-(M.P)	5000	4750	250
Gondal	4985	4760	225
Rajkot-(B.T)	5005	4975	30
Sri-Ganganagar	4100	4080	20
Patan(B.T. Cotton)	4950	4975	-25

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

Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	21-3-2013	20-3-2013	
Amravati -Vunni Mech-1#	1200	400	800
Kadi -Bt Cotton	12500	12500	Unch
Abohar-J-34*	500	600	-100
Muktsar-J-34 *(Kapas BT Cotton)	300	300	Unch
Ahmedabad - Shankar-6#	20000	22000	-2000
Fajlika *(Kapas BT Cotton)	1300	1300	Unch
Khandwa (M.P)	700	1200	-500
Khargaon-(M.P)	3000	6000	-3000
Gondal	500	700	-200
Rajkot-(B.T)	2250	2600	-350
Sri-Ganganagar	4000	4000	Unch

Patan(B.T. Cotton)	6668	6641	27
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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: 20/03/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (20/03/2013)	Rs. Per Candy (19/03/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	35600	35600	Unch
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	36600	36600	Unch
J-34(202)	26mm	3.5 - 4.9	23	38000	37800	+200
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38300	38200	+100
Shankar-6(105)	29mm	3.5 - 4.9	28	39000	39000	Unch
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	40100	40000	+100
MCU-5/ Surabhi(106)	32mm	3.3 - 4.9	31	-	-	-
DCH-32(107)	34mm	3.0 - 3.8	33	48000	48000	Unch

Cotlook Index: As on 20/03/2013

Cotlook Indices	Cents/Pound	Change
A-Index	97.55	+0.10

China Cotton Index: As on 21/03/2013

Index	RMB/Ton	Change
CCIndex(328)	19368	+4
CCIndex(527)	16983	Unch
CCIndex(229)	20080	+3

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

USDA Cotton Spot Rates: As on 20/03/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	86.85	90.1	25
North Delta	85.6	88.1	NIL
South Delta	85.6	88.1	NIL
East TX-OK	81.25	84	1313
West Texas	81.25	84.25	NIL
Desert SW	82.6	89.1	NIL
SJ Valley	83.6	94.25	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 20/03/2013

Contract	Open	High	Low	Close	Change
13-Mar	91.14	91.78	88.17	89.1	-2.03
13-May	91.5	92.15	89.09	89.95	-1.58
13-Jul	88.28	88.28	88.28	88.28	-0.87
13-Oct	88	88.23	87.57	87.98	-0.28
13-Dec	87.4	87.52	87.4	87.52	-0.1
14-Mar	87.22	87.22	87.22	87.22	-0.07

Pakistan Cotton Spot rates: As on 20/03/2013 (in Pakistan Rupees)

Product	Rate for	Ex-Gin Price	Up Country Sales	Spot Rate Karachi
Cotton	37.32 Kgs	6900	155	7055
Equivalent	40 Kgs	7395	155	7550

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