

Cotton Domestic Fundamentals:

- Cotton prices noticed steady to weak tone on Saturday.
- Lack of demand from millers and exporters weighed on the market.
- Arrivals are reported around 19000 bales in the northern region.
- Selling around current levels is weighing on prices.
- Buyers are waiting for better levels in the coming days.
- Indian import projection may come down after cotton agencies are looking at the ways of selling fiber in open market which are likely to bring down the prices.
- 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 in the near -term.

Cotton International Fundamentals

- Cotton futures a NYMEX closed amid lack of buying around current levels.
- According to Pakistan agency PCGA, cotton production is likely to down by 11.7 % which are pushing up the prices.
- China imports is likely to rise to 223 lakh bales in 2012-13 as compared to earlier estimated 194 lakh bales, according to USDA. This is likely to lower global ending stocks which makes it likely to have lower global surplus in 2013-14.
- Net Upland sales of 114,100 running bales for the 2012/2013 marketing year were down 39 percent from the previous week and 31 percent from the prior.
- USDA projects global 2013-14 cotton production at 115.5 million bales, down 3% from 2012-13.

Outlook: We expect domestic cotton prices to notice steady to weak tone in the coming days amid lack of demand in the spot market.

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

Contract	+/-	Open	High	Low	Close
Mar-13	-29.50	840.00	840.50	840.00	840
Apr-13	-18	939.00	939.00	922.00	925.50

Volumes and OI in Lots

Contract	Volume	Change	OI	Change
Mar-13	3	3	2	1
Apr-13	7456	-432	10061	-432

Spread Feb-13 Apr-13

Basis	-170	
Mar-13		-84.5
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	-17.90	871.1	880	865	867.4
Apr-13	-17.60	939.1	939.1	923	925.40

Volumes and OI lots

Contract	Volume	Change	OI	Change
Mar -13	210	-422	643	-210
Apr-13	825	-1109	1567	43

Spread Feb-13 Apr-13

Basis	142.6	
Mar -13		58
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	-1.22	19550	19550	19360	19400
30-Apr-13	-1.39	19270	19300	19110	19120
31-May-13	-1.36	19070	19070	18890	18910
28-Jun-13	-1.38	18780	18780	18580	18610
31-Jul-13	-1.35	18460	18470	18300	18310

Cotton Prices at Key Spot Markets

Centre	Prices		Change
	23-3-2013	22-3-2013	
Amravati-Vunni Mech-1#	4800	4800	Unch
Kadi-Bt Cotton#	4850	5000	-150
Abohar-J-34*	4125	4190	-65
Muktsar-J-34 *(Cotton)	4135	4200	-65
*(Kapas BT Cotton)	4800	4850	-50
Ahmedabad-Shankar-6#	5050	5050	Unch
Fajlika *(Cotton New)	4160	4175	-15
*(Kapas BT Cotton)	4825	4950	-125
Khandwa-(M.P)	-	4850	-
Khargaon-(M.P)	-	4850	-
Gondal	4905	4905	Unch
Rajkot-(B.T)	4955	4960	-5
Sri-Ganganagar	4040	4070	-30
Patan(B.T. Cotton)	-	5000	-

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

Cotton Arrivals in Key Centers

Centre	Arrivals		Change
	23-3-2013	22-3-2013	
Amravati -Vunni Mech-1#	1000	1500	-500
Kadi -Bt Cotton	15000	20000	-5000
Abohar-J-34*	600	1000	-400
Muktsar-J-34 *(Kapas BT Cotton)	400	400	Unch
Ahmedabad - Shankar-6#	20000	20000	Unch
Fajlika *(Kapas BT Cotton)	1500	1300	200
Khandwa (M.P)	-	500	-
Khargaon-(M.P)	-	3600	-
Gondal	688	520	168
Rajkot-(B.T)	12000	3200	8800
Sri-Ganganagar	14987	17128	-2141
Patan(B.T. Cotton)	-	4000	-

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

Cotton Association of India Spot Rates: 22/03/2013

Trade Name	Staple	Micronaire	Strength/ GPT	Rs. Per Candy (22/03/2013)	Rs. Per Candy (21/03/2013)	Change
Bengal Deshi (RG)/ Assam Comilla(101)	Below 22mm	5.0 - 7.0	15	35100	35400	-300
Bengal Deshi (SG)(201)	Below 22mm	5.0 - 7.0	15	36100	36400	-300
J-34(202)	26mm	3.5 - 4.9	23	37700	37800	-100
H-4/ MECH-1(105)	28mm	3.5 - 4.9	27	38000	38300	-300
Shankar-6(105)	29mm	3.5 - 4.9	28	38400	38700	-300
Bunny/ Brahma(105)	31mm	3.5 - 4.9	30	39700	39900	-200
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 22/03/2013

Cotlook Indices	Cents/Pound	Change
A-Index	94.75	-0.80

China Cotton Index: As on 22/03/2013

Index	RMB/Ton	Change
CCIndex(328)	19370	2
CCIndex(527)	16984	1
CCIndex(229)	20080	Unch

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

USDA Cotton Spot Rates: As on 22/03/2013

Growth Area	Leaf 4 to Staple 34	Leaf 3 to Staple 35	Arrivals
	cents/lb.		bales
Southeast	85.04	88.29	NIL
North Delta	83.79	86.29	NIL
South Delta	83.79	86.29	NIL
East TX-OK	80.25	83	292
West Texas	80.25	83.25	NIL
Desert SW	80.79	87.29	NIL
SJ Valley	81.79	92.44	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 22/03/2013

Contract	Open	High	Low	Close	Change
13-Mar	88.24	88.83	87.11	87.29	-0.91
13-May	89.12	89.48	88.09	88.27	-0.88
13-Jul	87.01	87.01	87.01	87.01	-0.88
13-Oct	87.67	87.74	86.27	86.55	-1.27
13-Dec	86.12	86.12	86	86	-1.27
14-Mar	85.72	85.72	85.72	85.72	-1.17

Pakistan Cotton Spot rates: As on 22/03/2013 (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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